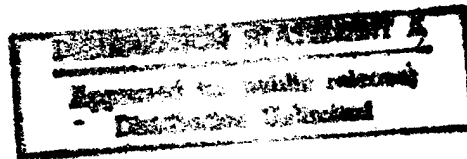


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4 June 1982



# Latin America Report

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## LATIN AMERICA REPORT

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## GOVERNMENT OIL DEPOSITS MARCH PRODUCTION DROPS

Buenos Aires LA PRENSA in Spanish 13 Apr 82 p 13

[Text] Oil production declined by 70,178 cubic meters in March, compared with the same month last year, and by 203,112 cubic meters in comparison to the volume obtained in the first quarter of 1981.

Government Oil Deposits (YPF) announced that 2,358,997 cubic meters of petroleum were produced in March, whereas 2,429,175 cubic meters were extracted in [March] 1981. Of this total, 1,530,196 cubic meters were extracted by YPF and 828,801 by exploitation contractors.

The volume of crude oil extracted in the first 3 months of this year amounted to 6,848,743 cubic meters: 4,427,006 by the government and 2,421,737 by contractors. During the same period in 1981, 7,051,855 cubic meters were extracted.

Also during March, 57 wells were completed--41 by the government and 16 by drilling contractors--as opposed to 65--42 by the government and 23 by contractors--completed in the same month last year.

During the first quarter of this year, 166 wells were completed--130 by the government and 36 by contractors--as opposed to 199 in 1981.

## Refineries

YPF also announced that based on provisional figures, there was a slight increase in petroleum processing in refineries in March, amounting to 1,766,461 cubic meters (1,694,992 cubic meters of domestic crude and 71,469 cubic meters of imported crude).

The total amount of crude processed in YPF refineries during the first quarter of this year was 5,106,106 cubic meters, as opposed to 5,120,898 in 1981.

11915

CSO: 3010/1395

## BRIEFS

WINDMILLS IN HOLGUIN--Over 400 windmills are currently operating in livestock enterprises in Holguin Province in an effort to obtain water without using fossil fuels. Efforts are being made to put into operation 162 more windmills. It is expected that 305,000 gallons of gasoline will be saved every year thanks to these windmills. [FL200100 Havana Domestic Television Service in Spanish 0000 GMT 20 May 82]

COAL DISTRIBUTION PROBLEMS--Politburo members Guillermo Garcia Frias and Jorge Risquet Valdes presided over the April meeting on port, transportation and domestic market network which was held in Havana. The meeting stated the need for a study to assess the status of bituminous coal distribution to various parts of the country and pointed out that coal must be distributed prior to the arrival of new shipments in order to resolve current storage problems. [Excerpt] [FL190100 Havana Domestic Television Service in Spanish 0000 GMT 19 May 82]

CSO: 3010/1580

COLUMNIST VOICES ARGENTINE SUPPORT ON FALKLANDS SOVEREIGNTY

Santiago QUE PASA in Spanish 29 Apr-5 May 82 p 11

[Commentary by Genaro Arriagada: "The Chileans and the Malvinas"]

[Text] Sometimes it is hard to remain calm while making judgements. This seems to be our situation as Chileans in the current conflict between England and Argentina.

We are justifiably disturbed by our neighbor's attitude toward the Beagle disagreement, characterized by their refusal to accept arbitration, threats of war and their delaying tactics with regard to mediation by the Pope, and we have been tempted in recent days to be indifferent to what is happening in the "Malvinas" as if this unfortunate conflict were happening to a people who are not our brothers and with whom we have no bonds.

However, it seems unacceptable for us to remain silent.

A detached opinion on the subject, which would not lend itself to equivocal interpretations, should clearly separate Argentina's right to claim sovereignty over the "Malvinas" from the procedure followed by General Galtieri in recovering them.

As to Argentina's right to the "Malvinas" there is no question. England usurped those possessions. She has held them arbitrarily for a century and a half. To avoid simplistic comparisons such as some have made, there exists no treaty or cession of the territory which provides a legal basis for that situation.

In this case, Argentina's title seems to us so clear that it is not hazardous to say that any international arbitrator or tribunal in the world worthy of the name, who knows the true situation, would give a verdict in favor of Argentina.

A very different opinion should be rendered with regard to the procedure followed by General Galtieri's government when it militarily occupied the archipelago.

To recognize Argentina's right does not mean that we should not censure the government's action in this conflict. For the same reason that we must defend what is right regardless of whom this favors we condemn the use of force as a means of settling conflicts between nations. The Argentines have good reason for accusing the English Government of laxness and malicious delays in the efforts to reach a negotiated and hence peaceful settlement in this conflict. But these imputations, however true they may be--and in fact they are true--do not justify Argentine military aggression.

At this time, the Argentines as a people are suffering a great loss of dignity as a result of the very irrational--to put it charitably--decision by General Galtieri to occupy the "Malvinas."

That invasion is a governmental action that could take its place in a universal anthology of political errors.

A just patriotic right has been obscured by grotesque military blustering which ends up by humiliating not only its authors but also an entire people.

The harmful effects of this blunder on the weakened Argentine economy are devastating. The same is true with regard to its prestige within the community of nations. More painful is this blow to the nation's internal morale.

We cannot hide our love for Argentina. The common history of our independence, the unity which our geography, language, religion and above all, the future, clearly impose upon us. Our admiration for its past 40 years, plagued by military coups, weak civil governments, continuous economic crisis and more recently the atrocious violations of human rights.

Therefore, our condemnation of the use of force should not hide the fact that when it comes to the sovereignty over the "Malvinas" the Argentines are right.

9204

CSO: 3010/1478

## COSTA MENDEZ DEPICTED AS PROMOTER OF FALKLANDS ACTION

Santiago ERCILLA in Spanish 28 Apr 82 p 11

[Commentary by Mario Arnello: "Ill-Fated Adventure"]

[Text] The military actions which have broken out in the South Atlantic, even though they remain restricted to the Malvinas, Georgia and South Sandwich Islands, have already caused irreparable damage.

Scarcely a month ago, this was a region of the world where the supremacy of the Western nations and the free world were not challenged and, in practice, the essential elements existed for making an effective alliance to defend the southern seas, capable of blocking any Soviet threat.

Only two conflicts, both instigated by Argentina, produced different and varying degrees of tension. But both were taking place while being submitted to peaceful means of settlement: one is with Chile, subject to mediation by the Pope, and the other with Great Britain by direct negotiations.

Suddenly, this picture and those possibilities have been destroyed. International security in the entire region has been affected while a state of open war is developing.

There may be many reasons for this. But there is no real justification. What is evident is that the author of this disastrous folly is Argentine Foreign Minister Nicanor Costa Mendez.

It is not unrealistic to suppose that he presented to President Galtieri a picture of international conditions which led him to believe that he could win a political victory by a sudden and easy military operation, involving little risk, to "recover" the islands in the South Atlantic.

The geographic situation was favorable for them. Great Britain, 13,000 miles [sic] away, would be defenseless against this fait accompli. The world political situation was also favorable for them. The Third World, the nonaligned nations, would support their anticolonialist action. The Soviet Union would not permit any resolution or action against Argentina in the UN Security Council. In general, the American states would openly give their support. The United States itself would have to collaborate so as not to

destroy its position in America and so as to avoid promoting Argentine collaboration with the Soviet Union.

This picture, drawn with irresponsible frivolity, provided full assurances of success--even of impunity--for the military invasion.

Whatever moved President Galtieri to order this adventure, militarily so easy, has turned into a total fiasco.

All the gambits of this apprentice Machiavelli have failed. The Security Council ordered the immediate withdrawal of Argentine troops, establishing them as the aggressors and justifying legitimate British self-defense. No one in the Third World, nor among the nonaligned nations has mobilized in Argentina's support; on the other hand, they voted against her action; Nigeria and Kenya have made clear Africa's rejection of the Argentine action.

In Latin America there is divided reaction. While some are swayed by the emotion of seeing a brother nation in military danger, other observe with regret the great harm that such folly has caused Argentina itself and the West.

At present, Costa Mendez, caught in the grip of fate, seeks salvation by turning to the TIAR, [Inter-American Reciprocal Assistance Treaty] although he must know that juridically, morally and politically he is in the wrong and cannot obtain help because of the guilt of Argentina's use of force.

The time of decision seems to have arrived. The 15 long days of navigation by the British fleet were wasted in words and vain gestures. Now the Georgia Islands have returned to British control and the troops occupying the Malvinas Islands are threatened. This situation will not be corrected by words nor by optimism.

We regret this for the sake of Argentina, of America and of the Free World cause.

9204

CSO: 3010/1478

## PANAMANIAN FOREIGN MINISTER ON FALKLAND STAND

PY240358 Buenos Aires Argentina Televisora Color in Spanish 0050 GMT 24 May 82

[Interview granted by Panamanian Foreign Minister Jorge Illueca to "60 Minutes" program correspondent (Leonardo Chokron) in New York--recorded]

[Text] [Question] We met recently in Washington during the 20th [OAS] foreign ministers conference. Panama is now upholding the same position it did then, that is, it is expressing its solidarity with Argentina. We would like to ask you if there is a possibility that the UN Security Council meeting will arrive at a peaceful solution to the conflict?

[Answer] There is a very good possibility of this. The UN Security Council can resort to coercive measures. What the council can do--although there is a risk that the United Kingdom may veto this decision--is to order a cease-fire, the gradual withdrawal of troops and the holding of negotiations within the United Nations. However, if a draft resolution is submitted but vetoed by the United Kingdom, this would lead to another option. This would be to try to achieve a consensus so that the president of the council will issue a declaration as the representative of the members of the council but if there is an impasse--if a resolution is blocked or a consensus is not achieved--there is a possibility of calling an emergency extraordinary meeting of the UN General Assembly to discuss the issue.

[Question] You mentioned the possibility of a UK veto. Although journalists have noted the attitude that is presently being upheld by the United Kingdom, we would like, nonetheless, to have the opinion of a diplomat. Has the United Kingdom been delaying these negotiations to make progress in its war plans?

[Answer] This is my personal view based on the conduct and the statements issued by the UK prime minister. It is obvious that they do not want to give Argentina any opportunity. They say to Argentina: You want peace, you have to withdraw your troops. They put Argentina in a very difficult spot since this is a colonialist issue. It is the United Kingdom that is really at fault. Since 1960 the United Kingdom has been ordered to decolonize the island, and since 1965 it has been compelled to sit down at the negotiating table with Argentina to decolonize the Malvinas; and this is something which the United Kingdom has not done.

[Question] Let us disregard the possibility of the veto. Is Panama going to propose a resolution to this council?

[Answer] Panama has decided to do this, but it is carrying out consultations so that the text of this resolution can count on sufficient support. Therefore, if this is not achieved it would be exclusively due to the British veto.

[Question] Would this proposal call for a special control or administration? How would the United Nations intervene in this issue?

[Answer] To achieve the necessary majority, we believe that the draft resolution should basically be based on a cease-fire, the withdrawal of troops and the holding of negotiations within the United Nations.

[Question] Do you think that it is foreseeable for Perez de Cuellar to resume the negotiations in view of their virtual failure?

[Answer] In view of the present attitude of Prime Minister Thatcher, I do not think the secretary general should promote any negotiations since we know beforehand that they will lead to failure because Thatcher has said that there are no negotiations. She has said that if they want peace, they have to get out. And this is not a negotiation, it is an ultimatum.

[Question] Through whom, then, should these negotiations be carried out?

[Answer] The negotiations should be carried out within the United Nations and through Perez de Cuellar but after the United Kingdom has agreed with Argentina and with the United Nations that it will comply with the cease-fire, with the withdrawal of troops. After this is done the secretary general should intervene in the issue and only then should all those formulas about a temporary administration, considerations towards the islanders, respect for their well-being and their way of life be discussed. This is essential and I repeat: I believe that the secretary general should not be entrusted with such negotiations while the United Kingdom continues to carry out aggressions. These aggressions must stop. There must be a cease-fire. Once this is achieved and the withdrawal of troops is a fact, then the secretary general should intervene.

[Question] Since there are many alternatives left open, we would like to have the opportunity to hold another interview with you in the future.

[Answer] It will be a pleasure since the Malvinas issue is of great importance for us.

CSO: 3010/1588



## ALICA, LAIA PROPOSE MEASURES TO COUNTER EEC EMBARGO

Buenos Aires LA NACION in Spanish 24 Apr 82 p 5

[Text] The president of the Latin American Food Canners Association (ALICA), atty Tomas Socias Lopez, said yesterday during a ceremony held at the Bank of Boston Foundation that "We offer Argentina our people's foodstuffs and offer to switch our purchases in order to buy Argentine products which may have problems being sold in other markets."

The business leader noted the importance of the private sector having united unanimously in a spontaneous and sincere feeling of support for Argentina and pointed out that, as a Venezuelan, he predicted that his government would offer to play the role of food bridge with Argentina. He said that ALICA includes 5,000 Latin American businessmen and has the means to carry out such a decision.

## LAIA

During the same ceremony, the general secretary of the Latin American Integration Association (LAIA), Dr Julio Schupp, noted that the measure adopted to counter EEC sanctions--a spontaneous solidarity movement not requested by Argentina--shows a new stage in the organization's maturity.

The assistant minister of trade, eng Alberto de las Carreras, expressed appreciation for the solidarity of LAIA, ALICA and the Andean Group in the face of the "formidable and unusual aggression," and emphasized: "We know clearly who our friends are."

## Trip to Bonn

Eduardo Luis Garcia, Carlos Mandry, Maximo Gomchil and Carlos Franke, who are businessmen, will leave today for the FRG to appeal for more flexibility in the EEC embargo and that any extension or expansion be ruled out.

The mission will explain to the German minister for economics, Otto Lambsdorff, Argentina's position on the conflict over the Malvinas Islands and is later scheduled to visit France.

## Trucks

The Ford Motor Company of Argentina reported that it has recently completed the export of F-7000 trucks equipped with cane-dumping bodies to Cuba, in accordance with a contract which it was awarded after competing with suppliers from other countries. The company is also exporting to Bolivia and Uruguay.

## Exports via Bahia Blanca

Bahia Blanca (DYN)--The rate of exports via domestic ports has not declined recently because of the conflict with Great Britain. On the contrary, it has shown a strong increase, according to business sources.

There are even several ships scheduled to sail to Old World ports despite the embargo of the European Common Market, which has sided with Great Britain in the trade embargo against Argentina.

An East German freighter loaded with over 150,000 crates of apples and several thousand crates of pears, both of which were harvested in the high valley of Rio Negro and Neuquen Provinces, left yesterday morning for Rotterdam and Hamburg.

This is the second ship of this type to leave for Europe from Bahia Blanca ports, although a larger volume of fruit continues to be exported via Puerto Madryn in Chubut Province. Another European ship, flying the Danish flag, is expected soon with a shipment of approximately 2,000 tons of methyl butane from the FRG; the shipment is for the Polisur Company, which is part of the Bahia Blanca petrochemical center.

## Intense Traffic

The intense ship traffic also includes the arrival of an Italian ship, which will take on 9,000 tons of wheat, to be shipped to European ports, and a Spanish ship, which will take on 15,000 tons of sorghum to be shipped to Spain. When the latter ship weighs anchor, it will be replaced by another Spanish ship that will also take on sorghum for Spain.

A Japanese ship is on the verge of setting sail, loaded with 3,000 tons of fish destined for Portugal and Spain. Another Spanish ship will be arriving to take on 2,000 tons of fish.

The arrival of a Panamanian and two Polish ships has also been announced; they will take on goods destined for Europe and Asia.

Local shipping agencies and official port centers have pointed out that the future schedule shows that the arrival rate of three ships daily will be even higher than the present rate, which is itself already heavy.

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CSO: 3010/1395

## BRIEFS

OCLAE SCORES BRAZIL'S 'REPRESSION' OF UNBE--The Continental Organization of Latin American Students--OCLAE--Permanent Secretariat has issued the following statement: The OCLAE Permanent Secretariat has learned that Brazil's authorities have initiated proceedings aimed at deporting (Francisco Javier Alfalla), president of the Brazilian National Student Union [Union Nacional Brasileira de Estudantes--UNBE], using the fact that Alfalla was born in Spain and he has not been awarded Brazilian citizenship. The authorities want to apply a repressive immigrant law which prohibits foreigners from conducting opposition activities when what they really want to do is crush the militant student organization. The OCLAE denounces that action as a measure taken by the Brazilian Government to prevent the progress of Brazil's student movement and undermine the increasing respect and support gained by the UNBE. Representing the continental student movement, we stand solidly behind the UNBE and entire student movement in Brazil and repudiate such repressive measures which the Brazilian students will undoubtedly know how to fight. [Text] [FL201620 Havana Domestic Service in Spanish 1400 GMT 20 May 82]

CSO: 3010/1581

## 'LA NACION' VIEWS COMMUNIST PARTY'S SUPPORT AS OPPORTUNISTIC

Buenos Aires LA NACION in Spanish 24 Apr 82 p 6

[Editorial: "Another Dialectical Pirouette"]

[Text] Virtually no sector of the national community has failed to react sympathetically to the recovery of our islands in the South Atlantic. In all cases, a common feeling has also emerged, which identifies with the country's historical reality and its unquestionable adhesion to a free way of life. It is precisely for that reason that the public response to the events has been expressed in a genuinely Argentine manner, including the natural support of civic groups with very different racial origins, whose participation is proof of our open society.

But as spontaneous and diverse as such demonstrations of sincere agreement with the national cause are, more attention should be given to the declaration of the local Communist Party, an orthodox disciple of its Soviet master. As is the usual practice of its leaders, every time that a political situation can be useful to them, what has been said on this occasion is another example of a dialectical exercise through which they hope to obtain a place among the legitimate feelings aroused by the events.

Some of the PC's considerations are useful as references of its contempt for ethics. Thus it has been said, for example, that the people must be informed about the Malvinas negotiations "because sovereignty is not negotiable, nor is the installation of foreign military bases, which in the end also mean a reduction of sovereignty."

After other considerations of the issue, the communist statement declares that if victory must result through the unity and mobilization of everyone, then it is necessary, among other things, "to fully reestablish democratic rights and liberties." The lifting of martial law, an end to political restrictions and trade union freedom are therefore requested, as well as, of course, everything which is substantially defined as "capitalistic and middleclass democracy" in another dialectical game of the same school.

At this stage of the country's historical and political events, such statements, which repeat a decanted cynicism, do not usually get under the intellectual skin of Argentines, except in rejecting their proposals. The local PC, as an

orthodox servant of its bosses, also retains the image of an old ideological tool, which does not overly captivate even its own followers. That is definitely why the country's democratic groups have automatically isolated this Argentine branch of what represents neither national sentiment nor our interests with the free world.

This clumsy declaration by the PC and the presumption of its leaders to arrogate representation abroad to themselves must not go without a response, even if only to dispel any doubts about supposed collusion with the most dangerous enemies of the Western way of life.

11915

CSO: 3010/1395

## FORMER ECONOMY MINISTER DISCUSSES ECONOMIC PROBLEMS

PY192005 Buenos Aires HERALD in English 19 May 82 p 9

[Interview with former Argentine Economy Minister and economist Aldo Ferrer by Luis Varela and Nestor Restivo]

[Text] [Question] Even before the war, Dr Ferrer, things didn't look too good. Do you think that the conflict with Britain will make things substantially worse?

[Answer] Within the general framework of the economy the influence of the Malvinas war is marginal. All the problems we have today, we also had on 1 April, and fundamentally we owe them to the economic policy followed for the last 6 years.

The hostilities have produced a few maladjustments of their own, like the EEC sanctions which affect our exports. I'd put it this way; of the problems we have now, 95 percent are pre-Malvinas and the war has added an extra 5 percent. Mind you, if the war drags on very long--which I doubt--that could change.

But right now, blame the Argentine Government, not the British, for the state of the economy. The indicators--production, employment, real wages, external debt, inflation and budget deficit--are the worst in history.

This is the inevitable consequence of an economic policy which is inimical to Argentina's interests.

I think this conflict forces us to make a few conclusions, like 1) we have to develop an independent policy and rely neither on Europe nor the United States; 2) militarily we have shown a capacity for resistance which has astonished our adversaries; 3) it has also been shown that, despite the destruction wrought by monetarism, the country has the innate economic capacity to support this war; 4) this ratifies the senselessness of a system which dismantled national industry to return Argentina to the status of a producer of raw materials and foodstuffs for the traditional power centres--which now rebuff us not only economically but politically as well.

[Question] What is your opinion of the government's recently announced emergency measures?

[Answer] In fact they've simply been palliatives to prop up the balance of payments, to keep on paying debts somehow, and to continue to concentrate the financial sector with measures like the lower guaranty rate on time deposits. These measures are useful neither in the short nor the long term.

Although the situation is very serious, Argentina continues to be a potentially very powerful country, with immense resources, the eighth biggest landmass in the world, and very valuable human resources. It is a country which, given the right conditions, recovers in very short order, so what people have to do is make up their mind which way they want to go. We must have a decision by the majority, not the minority.

[Question] Do you think that monetarism was doomed as soon as it started, in 1976?

[Answer] Oh, definitely. I may be a little presumptuous, but I think I was one of the first to denounce it frontally. Even the HERALD accused me of "intellectual dishonesty" but I think that facts proved me right. The defeat of Argentina began with Martinez de Hoz' speech in April 1976.

Of course there were vested interests which made a lot of money out of that policy, but from a national point of view the policy was unsound right from the very beginning. It reflects the requirements of a small, preindustrial country, not the sort of country Argentina should be.

The process' economy has failed and Alemman's latest policies are entirely unrealistic because the idea--killing inflation by lowering money issue, and reducing money issue by cutting the deficit--won't work. It can't work because the deficit won't drop until the economy is whittled down. And even if you cut inflation and deficit, interest rates won't fall substantially because they are, or were, established before exchange control via international interest rates. In consequence, nothing will ever be reactivated using this system.

[Question] You said Argentines should agree on what they want to be. But in Argentina, cycles seem to be an endemic phenomenon.

[Answer] Well, I think we've lived and suffered so much, what with frustrations, our own internal violence, disaffection, and now this extraordinary war with a great power. I think this is going to oblige us to face facts, to come to terms with ourselves. For a start, we need legitimate rulers. Argentina must rebuild institutionally. I think we've already matured, that this is teaching us something which will avoid us repeating the errors of 1976. I think that the politicians will be able to formulate sober, sensible, nationalistic policies.

[Question] Will change be gradual or should new measures be adopted immediately?

[Answer] Things are so bad that there is no room for gradualism or slow motion policies. There has to be an immediate turnaround.

When Roosevelt introduced his New Deal, he got it going in 100 days. This was enough for him to build the entire infrastructure and completely change the situation of the United States. We can do the same in 100 days, too. If we do, we're saved.

[Question] Despite everything?

[Answer] Yes, I know things are bad, but despite it all I'm an optimist. We've got to lower interest rates, consolidate financial liabilities, defend the home market, improve real wages, defend industries and support regional economies. If we start out now with a genuine national economic policy I think we can forget about the costs of war. But if monetarism persists, then the costs will be heavier still.

[Question] Will the foreign economic policy change after the Malvinas conflict?

[Answer] Argentina has always been open to the entire world even if traditionally we're Western and prize freedom and democracy above all. We must continue to have good relations with the East, but we musn't get linked up with them.

[Question] Do you think there are good prospects for Latin American integration despite negative results with LAFTA, the ANDEAN Group, SELA, etc.?

[Answer] These agreements failed politically. But the war has taught us Latin Americans that we've got to learn to stand on our own feet. We should get to work on bilateral agreements--like Brazil, for instance, where I feel we've got a lot of ground to cover. Chile, too, and Peru, Venezuela and even Mexico. Though we're far away from Mexico we should try to work something out in terms of electronics and nuclear technology. This will give us back the position in Latin America that we had before and lost. When we talk about solidarity with our neighbours, we'll be listened to as never before.

[Question] You have gone on record as saying that elected governments prior to 1976 had made many mistakes. What mistakes should be avoided? What should be done right in order for this new stage to work?

[Answer] For one thing, an elected government should respect democracy. Peronism was genuinely popular and yet it violated all standards of democratic coexistence. This is what caused them to collapse. So the first thing they have to do is respect the constitution and freedom, and naturally be more realistic from an economic point of view. You can't push wages up by decree, for instance. You've got to increase production, increase employment. The welfare of the population is tied in with economic growth.



This is the reason for the failure of distributionist policies which don't stop to think about production. Fortunately, I detect everywhere that this reality is slowly sinking in.

[Question] Your proposition would require an abrupt turnaround in Argentine policy. Do you think conditions are such that a turnaround of this type is viable now, despite a relatively small population and restricted manpower?

[Answer] That's a problem, to be sure. There has been a displacement, from productive sectors to service sectors or other areas of low productivity. Some people have taken their pensions early. Much labour from neighbouring countries like Paraguay, Bolivia and Chile, has gone home. But if you increase real salaries and job offers you'd find that many of these migratory sectors would return. Then it would be necessary for this increase in activity to be reflected in an increase in production. Japan, for example, has a 7-8 percent increase in productivity with an increase of only 1.5 percent in population, i.e., about 7 percent per inhabitant per year.

To sum up, I think that monetarism has destroyed considerable wealth in Argentina. I have calculated that in the last 6 years the loss in income, that is to say what was lost in production plus added foreign indebtedness, has cost every working Argentine \$12,000, or, globally speaking, about \$120BN. This is what has been achieved. But if we move fast and do not insist with measures which imply a return to the past, I think we can still go ahead.

CSO: 3020/125

## OFFICIAL COMMENTS ON MILITARY EXPENDITURES

PY220745 Buenos Aires Noticias Argentinas in Spanish 0112 GMT 20 May 82

[Text] Buenos Aires, 20 May (NA)--The military expenditures of the country due to the crisis in the South Atlantic amounted to 500 billion pesos this month, whereas the payments which had been budgeted in dollars increased by 30 percent since the conflict started, an important Finance Ministry source disclosed today.

The military expenditures of the account of the armed forces in local currency during May will be 66 percent higher than those of April, when they amounted to 300 billion pesos.

These expenditures will be financed with funds collected by the state as a result of the oil price increase, the tax increase on cigarettes and beverages and exports.

The source which gave the information declined to specify the amount in dollars that the increase in the dollar account foreseen in the armed forces budget represented.

These higher expenditures in foreign currency are the result of importation of strategic material being made by the armed forces in order to cope with belligerent actions in the South Atlantic.

The source maintained that despite the increase in volume of military imports, these expenditures will be paid with the foreign currency coming from exports and the dollar savings from restricting payment for imports in other sectors of the economy.

The Finance Ministry believes the increase in military expenditures in local currency is small, since its total volume in May meant only 8 percent of the figure which the Central Bank had to pay in the last 30 days to cancel the deposits of 15 liquidated financial entities.

In this respect, the Central Bank has to return some 6 billion pesos to cover the deposit guarantees.

The important Finance Ministry source stated that most foreign currency needs required by the armed forces are obtained without any problem after measures taken to increase the reserve levels.

Such provisions are basically restrictions of imports and incentives granted to industrial and agricultural exports.

The source also deemed that the military expenditures in dollars are much lower than anticipated at the beginning, when the threat of British aggression started.

CSO: 3010/1588

## FINANCE MINISTRY ADVISER ON ECONOMIC MEASURES

PY220835 Buenos Aires Noticias Argentinas in Spanish 1437 GMT 21 May 82

[Text] Buenos Aires, 21 May (NA)--The head of the Finance Ministry's team of advisors, Martin Lagos, stated that "Until now the cost of the conflict with Great Britain is lower than the collection of revenues which have been applied beginning this year."

He clarified, however, that "if the war continues, the expenditures may be much higher."

When lecturing in a panel organized by the Argentine University of Business Administration, Lagos said that "There is no rate of interest which may compensate for the measures taken by former Economy Minister Celestino Rodrigo [Rodrigazo]."

"If we get to decreeing a new inflationary blowout, what do we do to keep people from putting all their expectations in new processes of this type?" he asked.

The head of the Finance Ministry advisory team maintained that "There are no basic arguments indicating that during the post-war period the principles of the economic policy now being applied must be changed."

Lagos said: "The fiscal equilibrium will continue being the basis to restore the rate of interest to normal."

The official deemed that consistency is fundamental in order to achieve the goals of economic measures.

He argued: "If the people think that Alemann will leave the ministry, they will probably infer that the next policy will not be as hard in the fiscal and monetary aspect."

Lagos admitted that "It is not only the guarantee of deposits that keeps the rate of interest at excessive levels."

He pointed out: "The demand of state funds also contributes, but beyond this, the people's experience and their expectations in view of eventual loose monetary and fiscal policies prevail."

After mentioning an eventual burst of sectorial claims once the conflict with Great Britain is overcome, he stated that "the more irresponsible the corporations, the more responsible the government must be."

He clarified: "I do not mean holding back political or union demonstrations. This activity is natural in a civilized country."

He emphasized: "What I state is that the priorities and resources of the state must be watched continuously, even if this is interpreted as an indication of the government's arrogance."

CSO: 3010/1588

## CAMILION, LANUSSE STATE THEIR POSITIONS ON FALKLANDS CRISIS

Buenos Aires LA NACION in Spanish 24 Apr 82 p 4

[Text] The former president of the nation, Alejandro Agustin Lanusse, declared that "the issue of the Malvinas Islands is minor; the major issue is the Argentina of tomorrow," and referring to the recovery of the islands, he said that now "we have what we wanted" and therefore "after this fait accompli, we must think about the future."

Lanusse expressed these opinions during the "New Times" television program, hosted by Mariano Grondona and Bernardo Neustadt and also attended by Dr Oscar Camilion. The former minister of foreign affairs also referred to the pace of the negotiations with Great Britain and said that "a transition is essential" because "a margin for negotiating conveniently is necessary."

'Be Rational'

Lanusse said that the recovery of the Malvinas has caused, in our country, "a great emotional reaction, which is not bad," but he warned that "if we stop there, it may become negative. We have to be rational," he added, "and if we talk about war, we must organize the country for it."

The former president of the nation said that he was in favor of negotiations "in which everything that needs to be negotiated must be negotiated." He then referred to all the military processes prior to the Process of National Reorganization, "from which it has recently been possible to reap" the results. Drawing a parallel with the current process, he noted that "the fight against subversion and the recovery of the Malvinas have been successful, which has led to great national unity."

"If this has been achieved," Lanusse said, "aren't the conditions established for making progress? How can we not take advantage of this opportunity?" Finally, he stated that "there is still much to be done and we must not be moved solely by emotions."

'We Are at War'

Camilion in turn said that "technically, we are at war," because a blockade definitely signifies a state of war and that "there is the possibility" of armed

confrontation. However, the former minister of foreign affairs pointed out that "the Malvinas are not the whole nation" and "they do not constitute all the problems" of our country.

Camilion went on to say that "Argentina committed a violation of formal law" in recovering the Malvinas militarily and that there have been other similar violations in the world, "for example, Afghanistan, and the reaction was different."

'Colonialist Prejudice'

The former minister then noted that the British reaction was due to "a question of honor, pride and, even more, colonialist prejudice" and to a "ratio of forces." He affirmed that dispatching the British fleet is "an act for [exerting] negotiating pressure, but its use otherwise cannot be ruled out."

Camilion then defined the problem as "essentially diplomatic and not military" and stated that "any tendency of our country to seek Soviet aid would be dangerous," which does not mean that it cannot happen. But he noted that Argentina "cannot substantially modify its geographic and cultural situation."

Referring to the meeting of foreign affairs ministers at the OAS, Camilion declared that our country "has to seek what is most acceptable to Latin American countries" and "not present difficult choices. It is necessary," he concluded, "to achieve the broadest consensus."

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CSO: 3010/1395

## TRADE AGREEMENT WITH USSR EXTENDED TO 1985

Buenos Aires LA NACION in Spanish 9 Apr 82 p 4

[Text] A 3-year extension, beginning 13 February 1982, of the agreement for the supply of machinery and equipment from the Soviet Union to the Republic of Argentina was signed yesterday at noon in the Gold Room of the Ministry of Foreign Affairs. New interest rates were also set for contracts to be signed with our country's government agencies and with private companies.

The changes, which were initialed by General Saint Jean, in his capacity of interim foreign affairs minister, and by the Russian deputy minister of foreign trade, Alexei Manzhulo, stipulate that the aforementioned agreement--which has been extended on two occasions--will be amended again, extending its validity to February 1985. With regard to future contracts, it was provided that the interest rate will be 6 percent annually for contracts with Argentine Government agencies and 6.5 percent for contracts with other Argentine organizations and companies.

## Final Document

After 8 days of negotiations, the sixth session of the Argentine-Soviet Mixed Commission for Economic, Trade and Scientific-Technical Cooperation, headed by our country's assistant secretary for international trade relations, Dr Alfredo H. Esposito, and by the Russian deputy minister, Alexei Manzhulo, issued an official report analyzing economic and trade relations, development prospects of Argentine exports to Russia and vice versa, probable directions of the development of economic and technical cooperation, and plans for fishing cooperation.

## Trade

In the document, both delegations noted the increase in trade, which amounted to more than \$3 billion in 1981. It is estimated that this figure will be exceeded this year.

The Soviets also appeared pleased with the equipment purchases totaling approximately \$20 million, recently made by YPF [Government Oil Deposits] as part of our country's plan to purchase machinery, equipment and other items totaling \$500 million in 1982-85. This amount had been set at \$50 million in 1981.



## Gas and Railroads

Concerning contracts for the supply of equipment for Government Gas and Argentine Railroads, the Soviet delegation expressed its hope that the plan made by Argentina, which as yet has not been implemented, would be carried out.

## Energy

With regard to the purchase of electrical equipment, our representatives stated that a revision of the schedules for the national electrical equipment plan is being studied, in order to adjust the original plan's estimates to projected potential demand.

As a result, the construction of Unit Eight of the Coastal Power Plant, the expansion of the Bahia Blanca power plant and the compensatory project for the Salto Grande Hydroelectric Plant have been postponed. In the case of the Piedra del Aguila power plant, the starting date for the works will be set when the aforementioned analysis is completed.

## In Ezeiza

(DYN [expansion unknown])--Before returning to his country, the Soviet deputy minister of foreign trade, Alexei Manzhulo, said that in 1981-85 Argentina will purchase \$500 million in products from the Soviet Union.

The assistant secretary for international economic relations, Humberto Esposito, and the Soviet ambassador to Argentina, Sergei Striganoy, said good-bye at the Ezeiza airport to Manzhulo, who had visited this capital for several days and had held talks with Argentine officials within the framework of the Argentine-Soviet Mixed Commission.

After reviewing the scope of the agreements recently signed for "the development of our economic, trade, scientific and technical relations," the Soviet diplomat said that "there are good prospects for maintaining and further developing our trade."

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CSO: 3010/1395

## 'UNCONDITIONAL' JAPANESE ECONOMIC AID PRAISED

La Paz PRESENCIA in Spanish 1 May 82 p 3

[Article by Donald Zavala W.]

[Text] Few nations have been as openly and objectively cooperative with Bolivia as Japan. It is not a question of singing the praises of the Empire of the Rising Sun just because we feel like it; it is a matter of objectively evaluating the aid Bolivia receives without political, economic or social strings attached.

From the first wave of Japanese migration came to this country in 1899, when immigrants from the Rising Sun had to blaze trails through the virgin lands of Madre de Dios and Beni, and the first settlements of Riberalta, Cobija and Guayaramerin were carved out, until the present, Japanese aid has always been forthcoming.

As of the end of 1979, Japan had given Bolivia a total of \$114 million, consisting of \$27 million in financial donations, \$27 million in technical cooperation, and \$65 million in bilateral loans for programs in health, agriculture, mining, railroads, roads, air transport, etc. Not only has there been this economic and financial cooperation in these fields, for a country in the process of developing as ours is, but there have also been incentives in science, the development of hydraulic energy, telecommunications, etc. At no time has there been any national dependency on the Empire of the Rising Sun.

Unlike other developed nations, Japan has not imposed conditions on its attention to Bolivia. Nor has it usurped our natural wealth to enrich its domestic economy. Japan has not taken advantage of the aid provided in the form of a donation, to require the installation of a certain kind of government that would agree with its political schemes. Japan has not taken advantage of Bolivia's economic and political weakness to try to capitalize on such situations and undermine the Bolivian economy, not even surreptitiously. All aid, all credit from Japan has come to this country free of interference in our domestic affairs. There have been no impositions, no dependency. In this regard, Japan has been and is a nation that can pride itself in having cooperated with Bolivia's desire to develop without submission.

In a society like Bolivia's, where distance from oceanic routes has prevented the great migratory waves that occurred in neighboring countries, there have nonetheless been some foreign colonies. None of them has integrated into the population as well as the Japanese. Furthermore, it is noteworthy that despite their small number, Bolivians of Japanese descent have risen to important national posts.

Japan's economic and technical cooperation with Bolivia is no accident; it is comparatively greater than that which other nations have offered us. The reason for this is partly the ties that have been established by the groups of Japanese who have settled here since the end of the last century, and who have created special relations between the two countries.

Through the ties they have cemented throughout our history, the Japanese have come to feel like relatives of the Bolivians, and are concerned about our welfare and happiness.

"Works are loves and not good reasons," says the old Spanish proverb. In this brief summary of the cooperation we have received from Japan we see a little of the affection Japan feels for the people of Bolivia. Would that many of the nations that claim to be friends of Bolivia could identify with the attitude of this country, which does not impose conditions on its "aid" to serve its own interests. In this day and age, Japan is a loyal friend and benefactor of the Bolivian people.

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CSO: 3010/1515

## FARMERS SAY GOVERNMENT NOT GIVING SUPPORT AS PROMISED

La Paz PRESENCIA in Spanish 4 May 82 p 4

[Text] Montero--The growers and tenant farmers of northern Santa Cruz are skeptical about the effectiveness of the programs to support agricultural development in this region as a means to compensate them for the destruction of illegal coca crops, and the consequences of a vast military offensive against cocaine sulphate factories.

While approximately 1,000 soldiers of Cochabamba and Santa Cruz units comb the floodplain of the Ichilo River, the residents of the Yapacani area, 80 kilometers from this city, have sent word through their representatives that "excesses and abuses" are being committed.

The families whose main source of income was coca, and whose crops are being destroyed chemically and manually, claim they have heard promises for many years, and they don't believe these any more than those of the past.

The National Council on the Struggle against Drug Trafficking has promised that an aid program will be implemented in the region to help residents in the immediate repair of roads, the installation of a mobile medical clinic and other plans.

In the Yapacani region, there has been an appreciable growth in development, not, as many presume, because of the drug traffic, but rather due to the services such as a good highway linking the area with Santa Cruz, abundant electrical energy, telephones, and the work of the Church, say leaders.

#### Concentrated Effort

The concentrated effort by the service agencies of Santa Cruz has made this situation possible. However, thousands of grower and tenant farmer families have been unable to obtain any cooperation in their attempts to diversify their crops and improve their standard of living.

In the same region there are Japanese communities that receive permanent technical, economic and social assistance, more from their own government than from the national government. The result is that they have managed to increase productivity and find appropriate varieties. They have received advice on marketing, and thus are in a position to mechanize.

The military operation that is being carried out rigorously in this region is giving various individuals and groups an opportunity to evaluate the consequences. Although everyone acknowledges that it was necessary to eradicate the processing of cocaine sulphate, more from U.S. pressure than our own needs, now people are wondering if the DEA and the U.S. Embassy will respond with the same enthusiasm to help these people.

The Special Federation of Northern Farmers announced its support for the struggle against drug trafficking and for the rigorous enforcement of anti-drug laws against those responsible, "but with justice and honesty. In the Yapacani region, the drug traffic was on the rise, but what about those who have been displaced and rejected by the big operators who are in Beni and other regions of La Paz and Chapare, producing large quantities of cocaine? The government knows about this too. . . . They know where the big operators are. Why are only the little guys being attacked?"

There was no official reaction to this question, posed by the farmers who complained of abuses and excesses. This group even asserts that some have been killed during the operations.

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CSO: 3010/1515

## SUCCESS OF NEW ECONOMIC MEASURES VIEWED WITH SKEPTICISM

La Paz PRESENCIA in Spanish 28 Apr 82 p 3

[Article by Guillermo Bedregal Gutierrez]

[Text] With regard to the economic measures taken by the government of Gen Torrelío, the implications of which were analyzed in an earlier article, let us say that all of the technical, mathematical and monetary reasoning may be impeccable. The government's good intentions and its inability to find any other solution not rigorously tied to the conceptual and theoretical pattern of the International Monetary Fund (IMF), are at loggerheads with the country's social and political reality.

Incidentally, let us look briefly at some highlights of this situation. Take the case of the maintenance of the wheat subsidy and the Central Bank's import monopoly: If the central government maintains, as it apparently intends to, the current price of 1.50 Bolivian pesos per loaf of everyday bread, even if the price of the dollar eventually drops below 100 pesos and the difference between the official price and the free price is barely 40 percent (an unrealistic, illusory hope), the bread subsidy means an extreme undervaluation of this product that could increase current demand exponentially. This exacerbation of demand will raise it by as much as 50 percent in the short term, which will in turn increase the annual tonnage of imports and the value of such imports. Thus, this figure could easily surge from 70 million a year to 100 million more. Excessive buying, as in other experiences from years ago, would be oriented toward the smuggling of bread to our neighbors, particularly the Chileans and Peruvians. The farmer, in turn, would rely increasingly on bread to feed his family, to the detriment of rice or potatoes, and would also use bread as a cheap supplement to the diet of his poultry or pigs. Furthermore, the vast population of low-income consumers would be increasingly drawn to bread and pasta instead of rice, potatoes or corn, which are the products that provide the most calories to the Bolivian diet.

Another question comes to mind immediately: Can the central government restrict its foreign currency spending on such items as insurance and contributions to international organizations, in which our country participates actively, to a level of US \$30 million a year? Can the country and its armed forces limit the volume of spending in foreign currencies to replace present

equipment, service the debt regularly, and maintain the indispensable level of spare parts necessary for the proper operation of the now sophisticated equipment they rely on? Can the armed forces obtain the ammunition and materiel they must use to impart military instruction to recruits? These restrictions on foreign currency expenditures are nearly impossible to implement unless the military makes drastic cuts in manpower. Such a move would involve a change in its doctrine and policy, which promote the formation of small but highly trained and skilled armed forces units, with great deployment mobility and very high firepower.

Even in that case, there would be more savings in national currency, since that is what is used to cover personnel costs. There would be a relatively modest impact on foreign currency expenditures. Nonetheless, this savings could have an exceptional impact on the public sector deficit, and that in turn could cut the growth rate of the domestic money supply, obviously the most decisive factor in the success of the government's economic program.

An irrefutable argument is presented for the realistic need to reduce from 200 million to 50 million the amount of external resources brought in by the incidental "repatriation" of capital and financing promoted by the export sector. The consequences of keeping the level of exports during the present fiscal year to just 80 percent of the amount of foreign currency reserves earmarked for indispensable imports, plus incidental capital repatriation, would be as follows:

- a) It is unrealistic to think that exporters allot only 80 percent to cover their most essential imports.
- b) The apparent objective is for the free market exchange rate to settle at around 80 Bolivian pesos per unit, and for the official exchange rate of 44 Bolivian pesos to rise slowly toward the value of the free dollar, thus gradually closing the present gap.
- c) Any program designed to improve the national economy in 2 or 3 years, must necessarily depend on the behavior of the export sector and that of producers of staples (reformed farmers and commercial agriculture and livestock). During this emergency, this principle is manifested in even more urgent and priority terms.

Corroborating the analysis of the effective availability of monetary resources for the present economic program, the following observations can be made:

--The central government and the Central Bank are extremely vulnerable to a severe deficit which, without exaggeration, could reach 100 million. This figure could go even higher if the mineral and metal markets remain weak and the declining trend in the exportation of our goods continues as it has to date.

--It is possible that reasonable agreements may not be reached with our creditors to renegotiate our foreign debt.

--It is certain that the amount earmarked for making monopolistic purchases of wheat will rise steadily for the above-mentioned reasons.

--In the best of cases, the national market will only have 250 million available to cover all our import requirements.

--In fact, there is already a deficit of 270 million, which means that various import categories will have to be cut drastically, especially those which fall under the capital goods title (not financed directly by foreign public cooperation programs), and also inputs for national industry which is based, unfortunately, on increasing percentages of foreign raw materials.

--In order to close the gap, the central government's deficit must be reduced, and the situation of bankruptcy and administrative chaos in the state production enterprises must be resolved, particularly in the Mining Corporation of Bolivia (COMIBOL), the Bolivian Development Corporation (CBF), Bolivian Government Oil Deposits (YPFB), and the National Smelting Enterprise (ENAF). The expenditures of regional development corporations must be restricted almost to mere maintenance levels. If these steps are not taken--and taking them means national strangulation, massive unemployment and a poverty more severe than anything in living memory--the program of the IMF and the military government simply will not work.

According to what has been stated in this analysis (which is oriented only toward the economic and financial aspects, specifically ignoring the sociopolitical implications), the objective that has been set forth is the "negative growth" of the domestic money supply. This goal was attained only in 1957, at the onset of the monetary stabilization program, and during the first months of the government of Gen Ovando. An overwhelming social cost was exacted when a social crisis was reflected in employment, the cost of living and the brutal shrinking of buying power. Are we Bolivians prepared at this time to undergo a therapy of such extreme social cruelty? Does the government have the institutional and natural channels available to seek a consensus and credibility for its policies? The answers, in my opinion, are also resoundingly negative. Consequently, we are on the brink of a veritable cataclysm, while our leaders follow an impossible dream.

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CSO: 3010/1515



## IMF INVOLVEMENT IN NATIONAL ECONOMY DECRIED

La Paz PRESENCIA in Spanish 28 Apr 82 p 3

[Commentary by Ricardo Franco L.]

[Text] In order to continue their stunted growth, the so-called "Third World" countries have had to resort to foreign loans from the large financial consortia that control the International Monetary Fund (IMF). This is in direct violation of the United Nations Charter, running counter to the orientation of that document. The vested interests of powerful interest groups, managed by an oligarchy of economists, take action beyond the control of the United Nations. This oligarchy of interests is so powerful that one time, when an honest statesman, Dr Arturo Illia, governed in Argentina, it organized a nefarious conspiracy to overthrow him. The reason was that this upright leader had refused to accept the "generous" loans from the International Monetary Fund. The crisis Argentina is undergoing today is just the consequence of the overthrow of the constitutional and democratic government of Dr Illia. The IMF always has local collaborators willing to accept its faulty prescriptions unquestioningly. Without exception, all the countries of the Third World that accepted the "recommendations" of the IMF have experienced and are still undergoing tragic economic crises, with the necessary corollary, social subversion. The mechanics of the system are particularly geared toward keeping us institutionalized as debtor countries in arrears. Every "standby" of the Fund only serves to raise the level of our foreign debt, without resolving any of our chronic structural and economic problems.

## Origin of Problem

A healthy national economy is always one which budgets its normal development in accordance with its own internal resources. However, after World War II, a model for "growth" was imposed on us that depended on external financial resources. This is how the so-called "developmentist" model was created; it should be called a model for bad development, because in the final analysis it is a formula for accentuating dependency. Great schemes were concocted that were made feasible within theoretical parameters, but then failed in practice at a great cost of maintaining an increasingly lopsided foreign debt. An intense infrastructure of internal communication was developed to make the market more flexible for the sale of manufactured goods coming in

from abroad by whatever means. We had to go into debt to lose our sovereignty; and we had to consume any product whatsoever, from Coca-Cola to the most sophisticated and unnecessary devices, to lose all our domestic savings capacity.

This is how the operative mechanism of the system of foreign hegemony functions. Once our savings capacity is exhausted through improper consumption, everything is made to depend on foreign "aid." And when the situation worsens and we reach the brink of insolvency, solutions are not sought where they really exist, in our own national resources, but rather in the request for and/or acceptance of the presence of International Monetary Fund officials. They come to impose "solutions" at the cost of our own internal security, with complete irresponsibility, without taking into consideration the possible social consequences of their recommendations, which are later manipulated very ably by the "intelligence" of social subversion. In sum, the origin of the problem lies in the credit imposed on us from outside, to ensure our dependency.

#### Always a Just Solution

The IMF depends on the United Nations. Therefore, in an act of sovereignty on the part of our countries, we must negotiate definitive solutions with the United Nations itself, relegating the bureaucrats of the IMF to a secondary position. To allow officials and experts who are only serving vested interests, without social responsibility, to come in and make diagnoses of our economy, much less recommendations, is an affront to the sovereignty of our nations.

The direction of our economies is or should be the purview of the governments that legally determine our destinies. We cannot continue to allow the final destiny of our long-suffering South American republics to remain subject to the whims of our creditors, who should be satisfied just to collect interest, backed up by our national patrimony. If they lent money to us, it was because we are solvent. And if they lent money to us without our being solvent, then that is exclusively their responsibility. The people of Bolivia never asked the IMF for loans. Bolivia's solvency cannot be measured in a simple appraisal by IMF economists and theoreticians, but rather by looking at the capacity of the Bolivian people to work and to suffer. One thing should be made clear once and for all: either the IMF is a dependency of the United Nations and should adhere to its charter, or it is a mere financial tool of the great world banking consortia. If the latter is true, our governments should take a harder line and treat IMF officials as simple money managers. There is no national experience in any part of the world in which the recommendations of the IMF economists have solved crises. We should conclude from our own experience that the Fund uses and abuses its role as an instrument of the United Nations to defend well-known privileges in the financial world that turn out to be the best allies of armed subversion, of which all the countries of the Third World are the ultimate victims.

Given that armed subversion inevitably leads to either a harsh military or civilian dictatorship of the extreme right, or one more enclave of Russian Communism, only one solution is possible: we must recover full monetary sovereignty and renegotiate our foreign debt as a function of Bolivia's internal security, even resorting to the patriotic expedient of a moratorium. First come Bolivia and peace among its people; then come monetary interests.

## CABINET APPROVES 1982 BUDGET

La Paz PRESENCIA in Spanish 29 Apr 82 p 1

[Text] Yesterday the cabinet approved the General Budget of the Nation for 1982, which totals 171.063 billion Bolivian pesos, reported the economic team of the government, headed by Finance Minister Lucio Paz Rivero. Of that amount, 40 percent is earmarked for servicing the public debt.

The fiscal budget for this term, that is, the income and outlays of the General Treasury of the Nation, totals 39,568,410,000 Bolivian pesos, with a deficit of 14.939 billion pesos, despite "the reduction in spending with relation to revenues."

The budget was based on the performance of the country's economy since the measures of February and March were adopted, "and the consequent vegetative growth in personal services and other sectors, including the amortization and interest on the public foreign debt," it was reported.

The Finance Ministry announced that the government is negotiating foreign credits for a total of \$310 million. They will be obtained from the following sources: World Bank, US \$100 million; Inter-American Development Bank (IDB), US \$100 million; two loans for development of the mining and other sectors for \$20 or \$30 million from the World Bank; and a program to shore up the balance of payments, involving \$90 million for 1982, from the International Monetary Fund (IMF).

It was announced that the government "does meet the prerequisites established by the International Monetary Fund." The spokesman expressed confidence that the negotiations that will be held during the first week of May with a technical mission from the IMF "will reach a successful end in the short term."

He also asserted that in order to overcome "the difficult period the Bolivian economy is undergoing," the government "plans to finalize gas exports to Brazil as soon as possible."

He indicated that "thanks to the current economic policy, we will have a net surplus of foreign currency, reduce the the balance of payments deficit until there is an equilibrium, and cut the fiscal deficit by using government resources responsibly."

He explained that "a healthy economy, with responsible leadership, will guarantee that the international community will support us once again."

The members of the government economic team explained the factors that led to the current "critical situation in the Bolivian economy," especially the increase in the short-term public foreign debt, which eroded foreign currency reserves and thus led to the control of foreign currency sales and the modification of the exchange system.

The team reported that "it is impossible to foresee when the supply and demand of the market will be balanced enough to establish a real parity of the Bolivian peso with the dollar. This depends on the overall performance of the floating mechanisms."

They pointed out that it was for this purpose that the government approved the regulations permitting commercial banks and money-exchange offices to operate with foreign currencies and to sell dollars, and that "this will necessarily cause the current price of the dollar to fall, as that price is just an asking price."

They stated that the financial ceilings established earlier were not modified in the new budget. "The raise awarded to teachers means sacrifices in the construction of new schools, laboratories and other projects of benefit to education, but will not require further outlays by the General Treasury," it was indicated.

#### Budget Distribution

The Fiscal Budget of the Nation for the 1982 term, in Bolivian pesos, has been distributed as follows:

##### President's Office and

National Social Action Junta	586,790,000	1.0%
Ministry of Foreign Relations and Culture	360,879,000	0.9%
Ministry of the Interior, Migration and Justice	1,635,652,000	3.8%
Ministry of National Defense	5,021,189,000	12.3%
Aeronautical Ministry	1,317,795,000	2.9%
Ministry of Planning and Coordination	201,470,000	0.2%
Finance Ministry	4,747,798,000	11.8%
Ministry of Education and Culture	5,140,993,000	12.7%
Ministry of Transportation and Communication	1,227,017,000	0.4%
Ministry of Industry, Commerce and Tourism	1,286,723,000	3.1%
Ministry of Labor and Manpower Development	48,899,000	0.1%
Ministry of Social Welfare and Public Health	863,306,000	2.2%
Ministry of Mining and Metallurgy	161,612,000	0.1%
Ministry of Farmer and Agricultural Affairs	416,839,000	0.3%
Ministry of Energy and Hydrocarbons	19,907,000	0.02%
Ministry of Urbanism and Housing	179,109,000	0.1%
Ministry of Information	28,000,000	0.1%
Tax Court	5,285,000	0.1%

Public Debt	16,021,318,000	40.5%
International Organizations	90,214,000	0.2%
Judiciary	197,615,000	0.5%

Operational expenses total 37,893,786,000 Bolivian pesos, while investment expenses account for 1,674,624,000.

8926

CSO: 3010/1515

## PDS RATINGS FOR GUBERNATORIAL ELECTIONS RISE IN 8 STATES

Sao Paulo VEJA in Portuguese 12 May 82 pp 52-60

[This article is accompanied by 10 pictures, 1 concerning each of the 10 states surveyed. Each picture shows, from top to bottom, the name of the state, number of voters, names of leading candidates and trend of each candidate's rating; a small solid square where the trend curve should be indicates the candidate was not mentioned in that "round" of the poll.]

[Text] The succession of good news that for several weeks has been fueling the campaign of former deputy Sandra Cavalcanti, PTB [Brazilian Labor Party] candidate for governor of Rio de Janeiro, was enhanced last week by the findings of the VEJA-Gallup election poll's fourth round. Choice of 52 percent of her state's voters, Sandra promises to be this season's outstanding political phenomenon--a candidate whose formidable following bodes an early winter for fearful opponents such as federal deputy Miro Teixeira, spearhead of Governor Chagas' vote-getting machine. "I'm going to work even harder," she said delightedly when informed of the poll's results early Friday morning.

Although Sandra's light is dazzling, it is far from being the only one to burn brightly in this survey made during April by Gallup Institute pollsters in the 10 Brazilian states with the largest number of voters and in which 80 percent of the electorate are concentrated. Other news is equally worthy of note. In Rio Grande do Sul Deputy Jair Soares, PDS [Social Democratic Party] candidate, shot spectacularly ahead of Senator Pedro Simon of the PMDB [Brazilian Democratic Mobilization Party], who has been descending the ladder after having debuted in the poll as an odds-on favorite. "A lot of water must flow under the bridge between now and 15 November," warns Simon. In Sao Paulo the advance of Mayor Reynaldo de Barros, PDS, rolls on, closer and closer to Senator Franco Montoro, PMDB. Refuting the idea that the city of Sao Paulo has since the 1974 election been a gigantic opposition stronghold, the Gallup poll shows that this is precisely where the bulk of Reynaldo's vote is concentrated--Montoro is gaining elsewhere in the state, even in small towns accustomed to providing votes for the government party.

#### Situation Unchanged

In fact, the major piece of news to emerge from this fourth VEJA-Gallup poll is the widespread strengthening of the government party--fruit of crystallization of PDS candidacies in several states and appearance on the scene of governors determined

to see their favorites elected. According to the poll, PDS candidates failed to gain ground only in Rio de Janeiro--where the sparse battalion of government supporters apparently prefers winning with ex-UDN [National Democratic Union] Sandra Cavalcanti to trailing behind with engineer Emilio Ibrahim--and in Minas Gerais. The Minas Gerais PDS performance should improve with the choice of its candidate, former cabinet member Eliseu Resende, finally consummated last week. In the nine states where there is a direct confrontation between the PDS and the PMDB--Rio, with Sandra, is the exception--the government party leads the race in only three (Rio Grande do Sul, Santa Catarina and Ceara) but is gaining ground in Bahia and beginning to threaten opposition favorites in Sao Paulo, Pernambuco and Goias.

The collective performance of PMDB candidates is less cheering. Despite having absorbed the PP [Popular Party], the largest opposition party managed to get only 27 percent of party preferences, 5 points more than its showing in December. As the PDS also gained ground, the PMDB continues in second place. The opposition's ticket is faltering in Rio de Janeiro and Rio Grande do Sul and views with some discomfort the unchanged situation of some of its star performers--for instance, Senator Franco Montoro and former Goiania mayor Iris Rezende. "Eventual unity of the PDS will not prevent the opposition from being voted into office," asserts Rezende. As a matter of fact, in only three states did the poll reveal considerable gains for PMDB candidates.

In Ceara, benefited by the discontent generated in certain PDS circles by the agreement that resulted in the candidacy of engineer Luis Gonzaga da Fonseca Motta, Senator Mauro Benevides jumped 14 percentage points above his previous rating. In Parana, benefited by the alliance with former governor Jaime Canet Junior, Senator Jose Richa shot out ahead--although it could have been noted that he may have been underestimating competition from Governor Ney Braga's candidate, Saul Raiz. In Santa Catarina, finally, Jaison Barreto gained 20 points, the biggest increase among candidates included in previous rounds of the poll, and is running neck-and-neck with the leader, Deputy Esp ridiao Amin of the PDS.

#### Shaken Belief

The ratings achieved by two PDS newcomers attest to the strength of some of the party's regional sections. In Ceara, Fonseca Motta leaped from nothing to nearly 40 percent. In Pernambuco, Lieutenant Governor Roberto Magalhaes went from zero to 30 percent, just 5 points below Senator Marcos Freire of the PMDB. In the third round, in December, Gustavo Krause, mayor of Recife, was not over 12 percent, compared with the same 35 percent that Freire is still holding onto. A consummate strategist, Governor Marco Maciel put Magalhaes at the head of the ticket, persuaded Krause to keep him company as candidate for lieutenant governor and, having consummated the arrangement, shattered the belief that nobody could beat the opposition senator.

Very strong in the countryside, Roberto Magalhaes trails Marcos Freire in the Greater Recife region, a disadvantage the PDS hopes to eliminate through Krause's reputation as a good administrator earned during his term as mayor. "Marcos has already lost, because linked voting will eliminate his advantage in Greater Recife," believes Deputy Thales Ramalho, now in the PDS. Freire, in turn, is not going through a happy period. Involved in a war of attrition with the PMDB's left wing,

which vetoed the senatorial candidacy of former governor Cid Sampaio, the top-ranking member of the PP, Freire has been harassed by persons whom he had expected to count upon for help, such as former governor Miguel Arraes and former deputy Jarbas Vasconcelos. Furthermore, he faces devastating attacks on his personal image. Essentially, they consist of offensive phrases painted on walls in Recife and distribution of cheap booklets vulgarly exploiting the nebulous kidnaping case of which his wife Carolina and Federal Deputy Fernando Lyra--his running mate for the Senate--were victims in a Brasilia motel.

Campaign strategy, which is just beginning, will have to take peculiarities of each state into consideration. In Goias, for example, 88 percent of the votes are in cities with less than 50,000 voters, a situation calling for having dependable slates of candidates for municipal chamber and for mayor, as well as discussion of topics closely connected with local problems. In Rio de Janeiro, on the other hand, 85 percent of the votes are concentrated in 14 cities with more than 50,000 inhabitants, almost all of them surrounding the city of Rio de Janeiro. In future polls the Gallup interviewers will try to learn the exact effects of linked voting on voter behavior, a novelty that may change the outcome dramatically. This investigation had to be postponed because of a discovery made by Gallup in March: only 20 percent of the urban Brazilian electorate knew the meaning of "linked voting." It is a sign that election candidates this year will have to spend the first part of the campaign in a massive teaching effort to clarify the "November package" to avert their being destroyed by an avalanche of voided ballots.

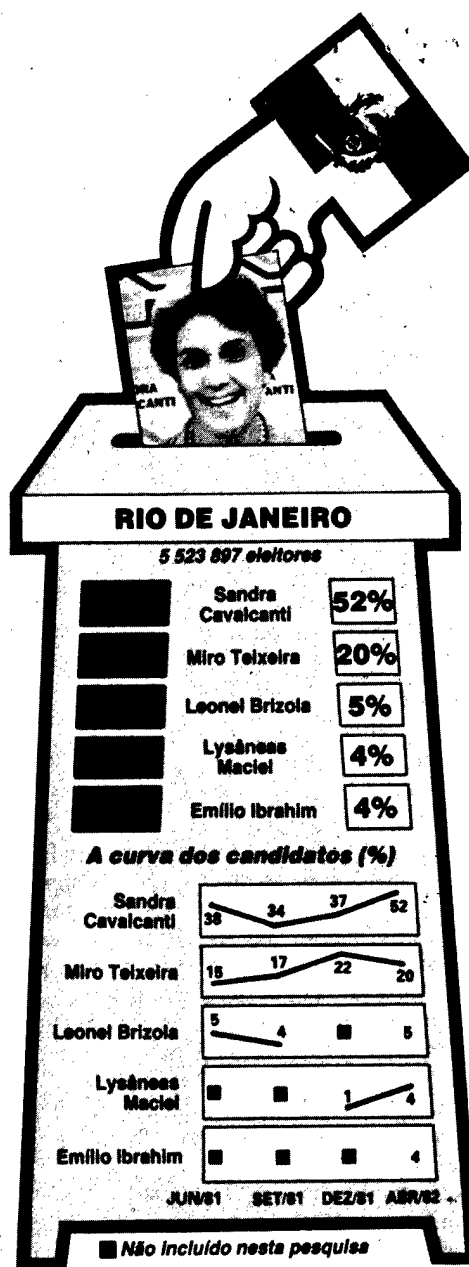
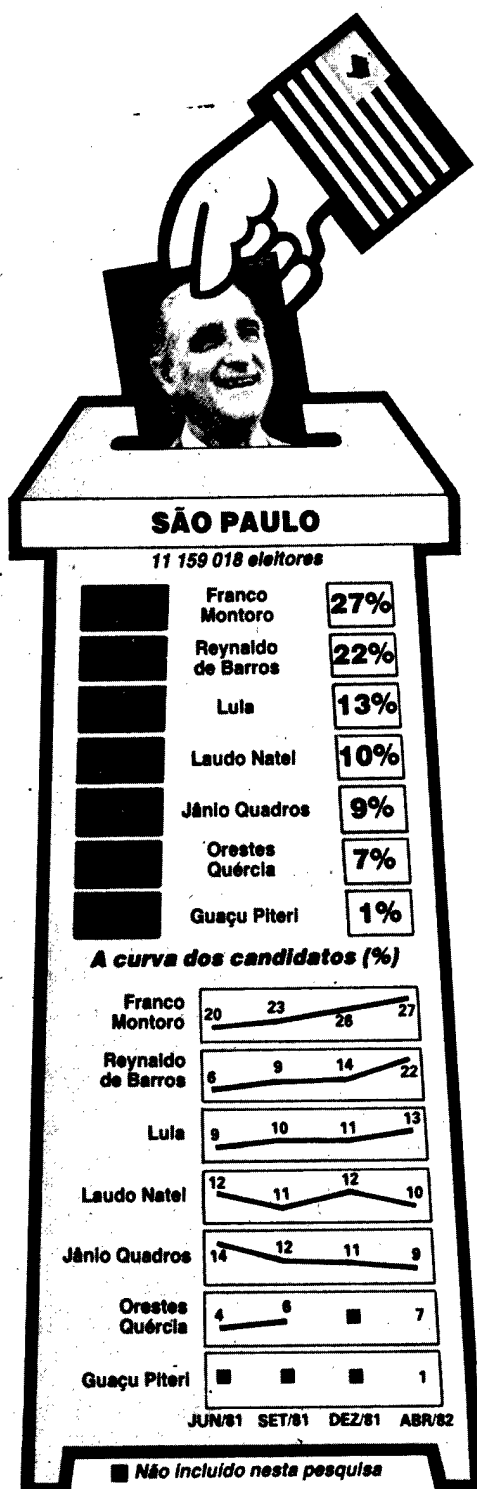
#### Montoro Has Reynaldo on His Heels

In a vigorous sprint, Mayor Reynaldo de Barros is following closely on the heels of Senator Franco Montoro. In each poll the PDS candidate has increased his previous score by 50 percent in an ascent that has almost quadrupled his initial rating. Reynaldo's support is about the size of the PDS electorate in Sao Paulo, but he may do better if he can get a portion of those still loyal to former governor Laudo Natel. Montoro also knows where to find ammunition: in a concurrent poll, Gallup pollsters learned that Senator Orestes Quercia's supporters intend to swing over to the strongest PMDB candidate as soon as their own favorite leaves the scene.

The survey proves that merger with the PP did not improve the situation of the PMDB. Former mayor Olavo Setubal asserted publicly that he will vote for Franco Montoro, but his preference does not seem to have motivated former PP members: the 11 percent who supported Setubal in the third round did not automatically transfer their vote to the PMDB candidate. Apparently many such voters now support Reynaldo. Others made a turn to the left and joined the supporters of Luis Inacio da Silva ("Lula").

Still in a declining trend, the candidacy of former president Janio Quadros does not yet appear to be a terribly treacherous obstacle in Montoro's path. More threatening is the barrier being raised by Lula--the upward trend of his support suggests that the appeal of a "worker candidate," different from all the rest, is far from being negligible. The threat is all the greater when it is observed that the rating achieved by Montoro is good, but stationary. If he does not soon get at least 30 percent of the electorate, Montoro will be running the risk of seeing the PDS candidate advance toward Bandeirantes Palace along a road paved by the





fragmentation of the state's opposition. His hope is that linked voting will prevent a heavier turnout for Lula--otherwise, the PT [Workers Party] candidate, by diverting votes, could give the victory to Reynaldo.

#### Sandra Has Absolute Majority

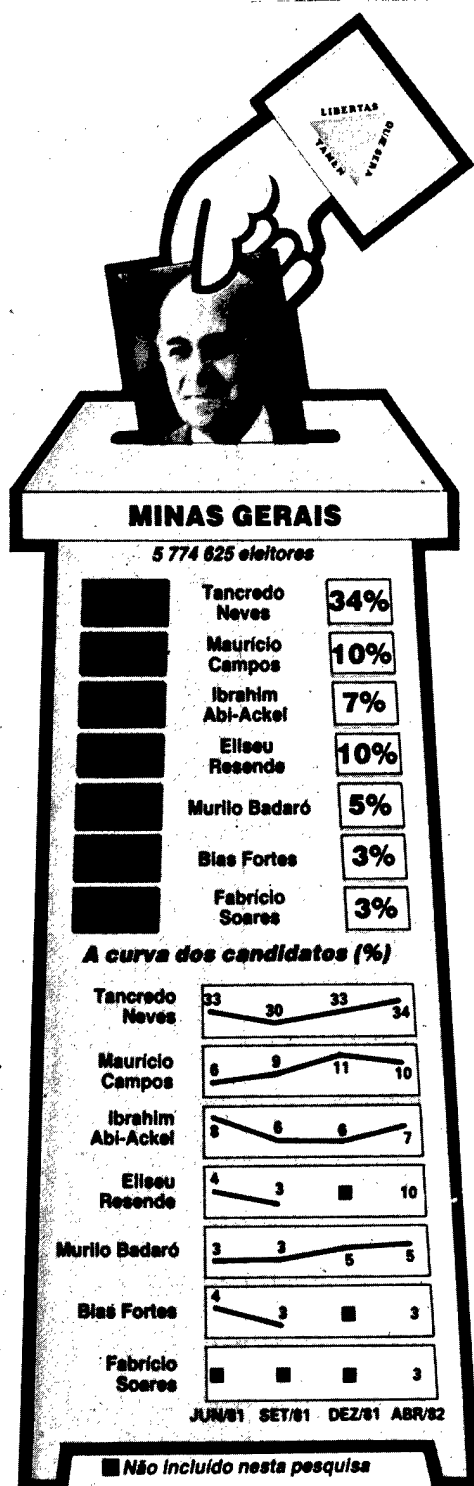
Record-holder of the poll's fourth round, former deputy Sandra Cavalcanti is the first candidate anywhere in the nation to achieve an absolute majority of the voters' preference, surpassing the mark of 50 percent. At the moment, she has more than twice as many votes as has Deputy Miro Teixeira--who, moreover, fell 2 percentage points from his position in the previous poll--and leaves her other three opponents several light-years behind. Concurrent surveys by Gallup showed that even voters associated with other parties would like her to be the candidate of the party they support. Thus, Sandra leads Miro among PMDB members and defeats engineer Emilio Ibrahim among PDS partisans.

If the Rio de Janeiro electorate could vote as they wish, Sandra would be practically elected. But Miro Teixeira thinks he will be able to pass her before the home stretch, taking advantage of a weapon given him unintentionally by the federal government: linked voting. At the head of a multitude of PMDB councilmen, mayors and deputies who will be battling fiercely in the coming weeks and months--in seeking votes for themselves they will automatically be seeking votes for him--Miro plans to lay siege to the small PTB platoon commanded by Sandra Cavalcanti, whose overwhelming electoral strength contrasts sharply with her lack of vote-getting allies.

#### Eliseu Advances, But Tancredo Leads

Senator Tancredo Neves is where he has always been since the poll began: in the lead and marching confidently ahead. But he did not inherit, so far at least, the votes of Senator Itamar Franco, put out of the gubernatorial running by merger of Tancredo's PP with his own PMDB. In Minas Gerais, moreover, names mean much more than do parties: according to the Gallup poll, 41 percent of those interviewed had not decided which party to join and Tancredo Neves' rating surpasses by a wide margin the 25 percent who favor the PMDB.

Concurrently with the poll taken among Minas Gerais voters--made with all the possible assumptions about that state's PDS--Gallup tried to learn how the picture might change if cabinet minister Eliseu Resende were chosen the candidate of the government party, a possibility that became a reality last Thursday. In this case, Tancredo shoots out ahead with 42 percent of the electorate while Resende climbs 15 percent and the number of undecided voters grows from 28 to 40 percent. Thus, the senator appears capable of reaping the benefits of the PMDB merger, while the PDS loses substance by choosing a former UDN member such as Resende. Choosing the transportation minister, however, is the least damaging option for the PDS: he will do better than Mayor Mauricio Campos of Belo Horizonte in head-to-head confrontation with Tancredo. "The more they fight," says Tancredo Neves with delight, "the easier my election will be." In fact, the senator's candidacy has always shown good health and only appeared threatened by the limited electoral appeal of the late PP. In also acquiring a healthy party in the PMDB, he built up a lead difficult to overcome.



## Jair Soares Unseats Pedro Simon

The fast get-away of Jair Soares, who this week leaves the convulsed Social Security Ministry to devote full time to his campaign, is the first major turnaround in the situation that has been revealed by the poll. Soares, in a spectacular leap, took over the lead, garnering the votes of Deputy Nelson Marchezan and Lieutenant Governor Otavio Germano--defeated by him in the primary to choose the PDS candidate in Rio Grande do Sul--and also picking up part of the considerable contingent that in the first three rounds had their eye on former governor Sinval Guazzelli. So much territory suddenly open for vote hunting also helped PDT [Democratic Labor Party] Deputy Alceu Collares, who doubled his support, and former banking-workers leader Olivio Dutra, of the PT, making his debut in the poll.

Surprisingly, the candidacy of Senator Pedro Simon remained on dead center--a sign that although the PMDB may have absorbed the PP it did not absorb the votes of Rio Grande do Sul PP members. Last month Guazzelli escorted Pedro Simon in a foray into the state's rural areas and sought votes for the PMDB candidate. The poll suggests that Guazzelli's following found the new partnership incompatible. Thus, stalled 7 percentage points behind his PDS opponent, the until-recently favorite Simon sees his candidacy entering an area of turbulence.

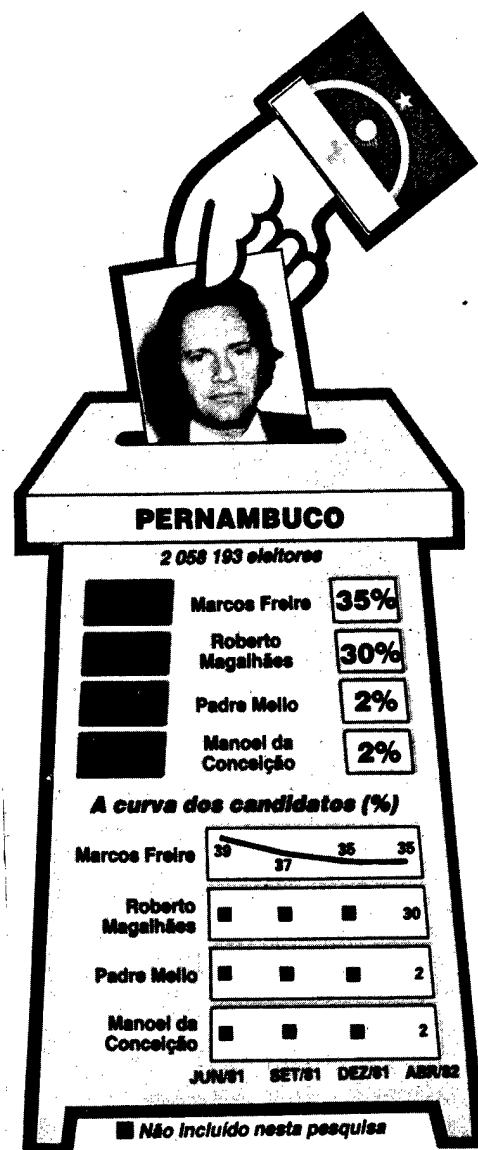
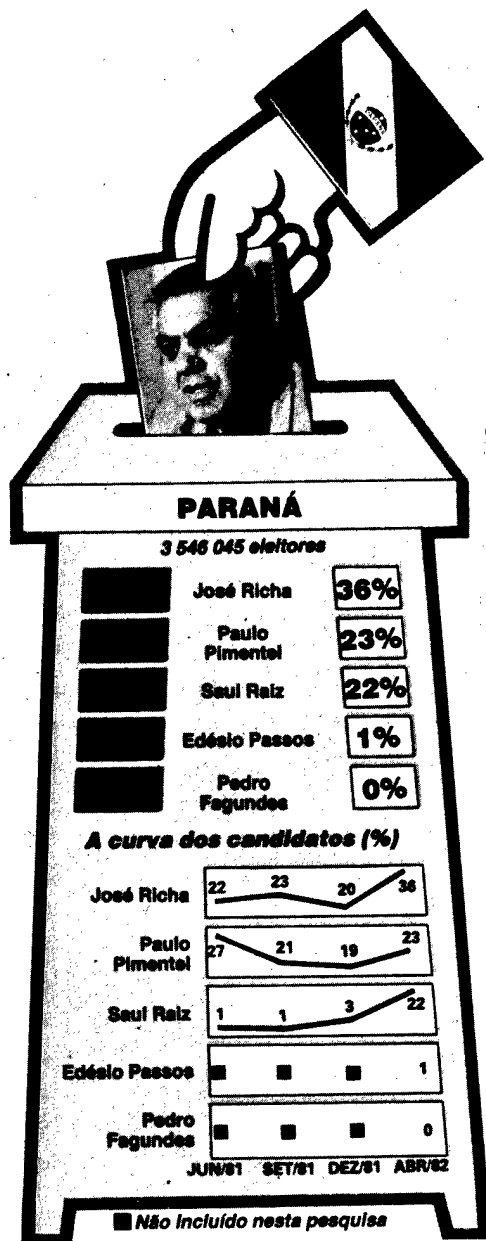
As a matter of fact, the candidates show ratings equal to the preferences expressed for their parties, proving the party loyalty of Rio Grande do Sul voters. The only Brazilian state where Leonel Brizola's PDT has a reasonable amount of influence, Rio Grande do Sul offers Planalto Palace, at the moment, a landscape the government dreams of extending nationwide: while candidates of the opposition parties trade verbal abuse and paint walls with reciprocal insults, the PDS candidate races on ahead--without having yet pushed the accelerator to the floor.

## Canet Helps Richa; Raiz Takes Off

Among all the states included in the poll, only in Parana was the PMDB clearly benefited by merger with the PP: helped by the withdrawal of former governor Jaime Canet Junior, Senator Jose Richa, ranked second until the third round, significantly increased the distance separating him from former governor Paulo Pimentel and engineer Saul Raiz. At that, Raiz turned in one of the most brilliant performances of the fourth round. In December, milling about with other possible government candidates, he complained bitterly about the low rating received by PDS candidates. Since he was selected as the party's official candidate he has been running neck-and-neck with the PTB candidate and could become a threat to the current leader.

The advance of Raiz, besides testifying to the electoral competence of Governor Ney Braga--who managed to transform his protege's candidacy into a test of his own strength--shows that weak candidates can suddenly grow strong after getting the complete and undisputed support of strong governors who put all the weight of their prestige and political machinery behind them. It is also quite clear that Canet's withdrawal, although visibly strengthening the Richa campaign, did not transfer all the PP's patrimony to the PMDB.

"Do as Canet does: vote for Richa," blare the billboards erected by the major opposition party. Many members of Canet's party followed the appeal; many others,



however, preferred to swell the ranks of Raiz supporters or, on a smaller scale, those of Pimentel. The huge gain by Ney Braga's candidate aborted the maneuver designed by PDS members concerned about Raiz' lack of popularity. If the results of the poll were to indicate the party's defeat, elements disagreeing with Braga would try to propose another candidate. This is no longer possible. PDS electoral horizons are not even more promising only because in Parana the PT and PDT remain in the realm of fiction. The PT candidate received 1 percent of the vote and the PDT candidate, none.

#### Stone in Path of Marcos Freire

The position of odds-on favorite in the Pernambuco race held by Marcos Freire is now a thing of the past. He will now have to fight every step of the way with a powerful contender--Lieutenant Governor Roberto Magalhaes, responsible for the most resounding debut of the whole VEJA-Gallup poll. Until the third round, the most popular PDS candidates were able to get only a little beyond the 10-percent barrier. All it took, however, was for Governor Marco Antonio Maciel to put together the agreement that resulted in Magalhaes' choice for the Pernambuco PMDB to realize that it will have to wage a hard struggle.

Both Marcos Freire and Roberto Magalhaes achieved ratings greater than those obtained by their respective parties--and 38 percent of Pernambuco voters have not yet decided which party to support. It is unlikely that the small parties will take over this no-man's-land. The PTB candidate, Padre Antonio de Mello, has the same insignificant following as has former peasant leader Manoel da Conceicao--an indication that the Pernambuco electorate has decided to retire not only the ambiguous populism of the PTB but also the confusing rural leftism that agitated the ides of March 1964.

In this context, Marcos Freire has more than enough reason to regret the domestic misunderstandings that prevented consummation of the agreement with former governor Cid Sampaio, thrown out in the cold by the demise of the PP. In the poll's third round, Cid Sampaio received 7 percent of the votes. Probably upset by the rude treatment the former governor received from the PMDB, Cid's supporters apparently joined the PDS ranks--a trend that left Marcos Freire at the same point he held in the third round. In a two-party state like Pernambuco, that could be fatal for the PMDB senator's aspirations.

#### Cleriston Bears Down on Roberto Santos

Always on the rise, Governor Antonio Carlos Magalhaes' candidate, Cleriston Andrade, passed Senator Lomanto Junior, PDS dissident, and almost caught up with former governor Roberto Santos, transferred from the erstwhile ARENA [National Renewal Alliance] to the now-defunct PP and today a PMDB candidate. Without counting newcomer Edval Passos of the PT, Cleriston was the only name on the Bahia list to improve his rating in this fourth round--all the others slipped a bit. Governor Antonio Carlos Magalhaes is not surprised by this phenomenon: he was always convinced that his candidate would pass up the opposition once the campaign took to the streets.

Having worked things out with Senator Luis Viana Filho, who for some time seemed to be resisting Cleriston's candidacy, now Antonio Carlos has to add Lomanto Junior to

the PDS voting strength. Very well supported in the poll's first round, the Bahia senator has seen his electorate cut almost in half since then, but still seems to be an ally worth having. Just as soon as Lomanto joins the platoon of PDS leaders who have endorsed the choice of Cleriston, the Bahia PDS will probably accelerate its march toward a victory that, in the estimate of Antonio Carlos, will be by a margin of over 1 million votes.

Roberto Santos' rating should also rise, with the withdrawal of Waldir Pires, attorney general of the republic in the Joao Goulart government, but it is too early to tell whether the former governor's candidacy will be swallowed by the PMDB left wing without gagging. Once the war for votes is declared, the Bahia PDS intends to demonstrate that when Roberto Santos occupied Ondina Palace as a government man he was implacably hostile to the opposition--a strategy that could carry Cleriston Andrade to the lead in future polls.

#### Jaison, Amin Running Neck-and-Neck

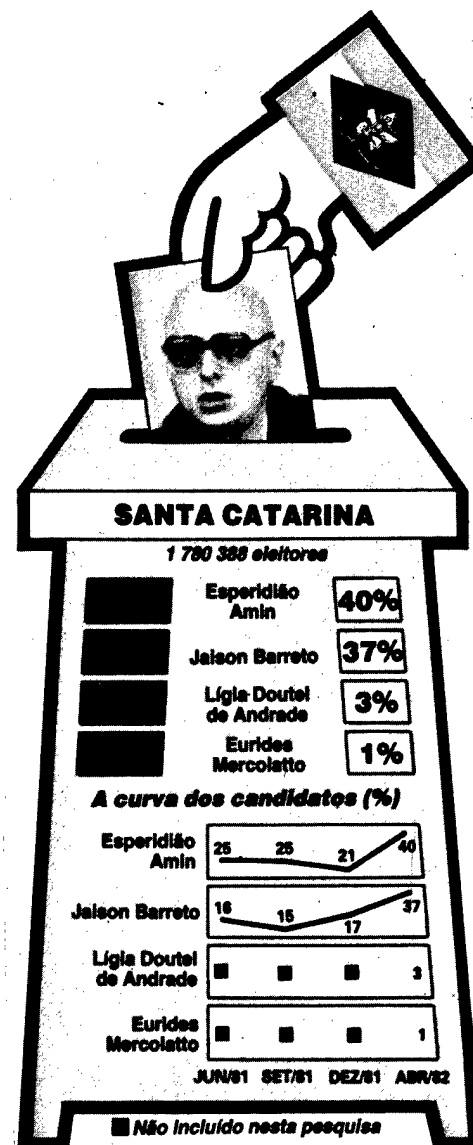
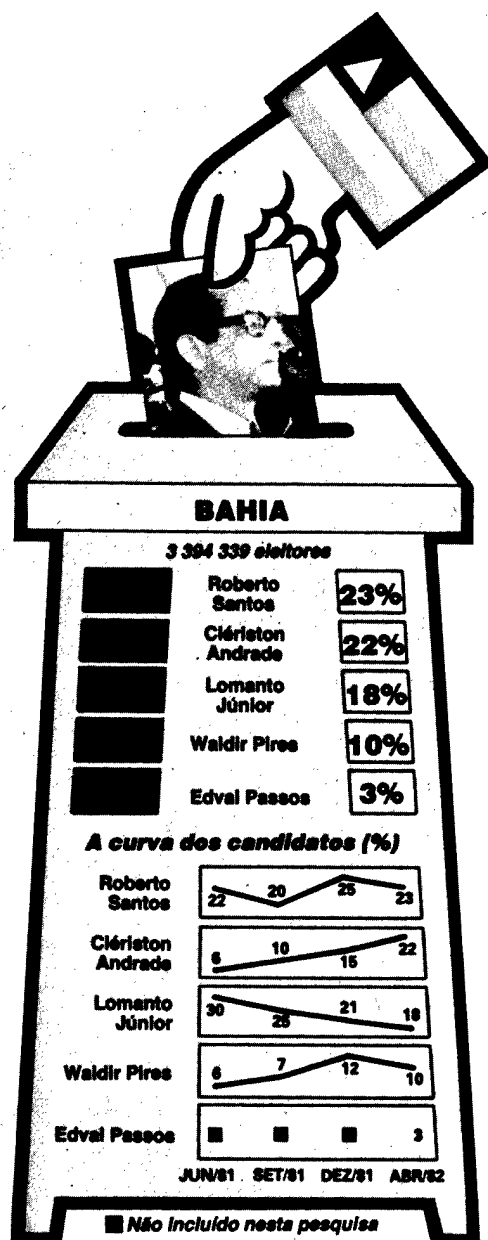
Consolidation of the candidacies of Deputy Esperidiao Amin, PDS, and Senator Jaison Barreto, PMDB, divided the Santa Catarina electorate almost equally between them. In an outstanding advance, both candidates registered gains of 20 percentage points. But, although Barreto inherited the spoils of Deputy Pedro Ivo, PMDB, and of Senator Evelasio Vieira, the findings of the poll indicate that the attractive legacy of former governor Antonio Carlos Konder Reis, excluded from the race through the direct intervention of Governor Jorge Konder Bornhausen, was not entirely captured by Amin.

Santa Catarina has some peculiarities that distinguish it from other states included in the poll. The electorate of the state capital, for example, has little weight--the largest block of votes in the state is in Joinville, traditional opposition stronghold, and cities such as Blumenau and Lages are also usually of decisive importance. As in these municipalities the opposition has several good vote-getting politicians, linked voting may upset the PDS plans. Thus, if Deputy Pedro Ivo is willing to run for mayor of Joinville again it will certainly assure Senator Barreto's victory there. The same picture could also be repeated in other large Santa Catarina cities.

Esperidiao Amin's situation could become seriously complicated if former governor Konder Reis releases his supporters to vote for the opposition. Konder Reis asserted he does not intend to run for any office but remains silent about his choices for the state's government. It would not be easy for him to appear on the same platform with Amin, who dislodged him from the race. But the former governor, a liberal, would hardly feel comfortable with a partner like Jaison Barreto--a socialist who, despite moderate language, has always been able to dress in the fashion of the PMDB left wing.

#### Motta Debuts, Takes Lead

Practically unknown to the average voter until a few weeks ago, engineer Luis Gonzaga da Fonseca Motta, "Toto," of the PDS, inaugurates his participation in the poll with 39 percent of the Ceara voters' preference. It would be an outstanding showing for a novice were it not for the withdrawal of former governors Adauto





Bezerra and Cesar Cals and Aecio Vasconcelos, until then possible candidates for the official party. Motta was the name chosen by agreement of Ceara's three top political leaders--Bezerra, Cals and Governor Virgilio Tavora--presumably getting along well together after having been summoned to Brasilia last month by Civilian Household Chief Leitao de Abreu. Motta's presence at the head of the race shows the Ceara PDS is decidedly one of the nation's strongest.

But the findings of the fourth round also show that the agreement among the leaders has not yet been assimilated by the rank and file. In inquiring about party preference, Gallup pollsters learned that 56 percent of Ceara voters support the PDS, while only 23 percent favor the PMDB. Compared with the ratings of the candidates, however, these figures show that a large portion of the PDS electorate, dissatisfied with the anointing of Motta, swung over--at least momentarily--to the side of Senator Mauro Benevides, PMDB candidate.

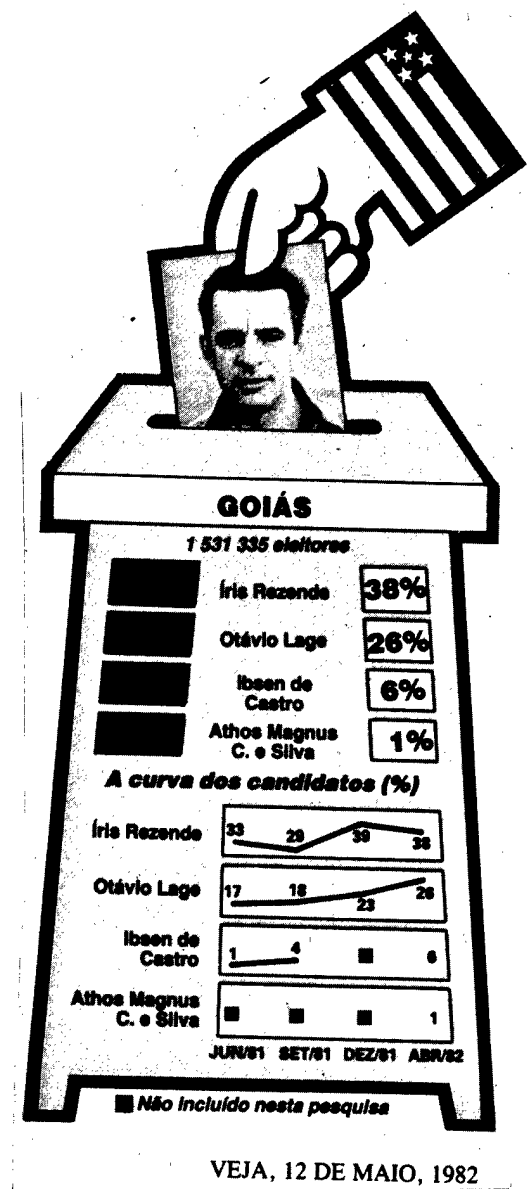
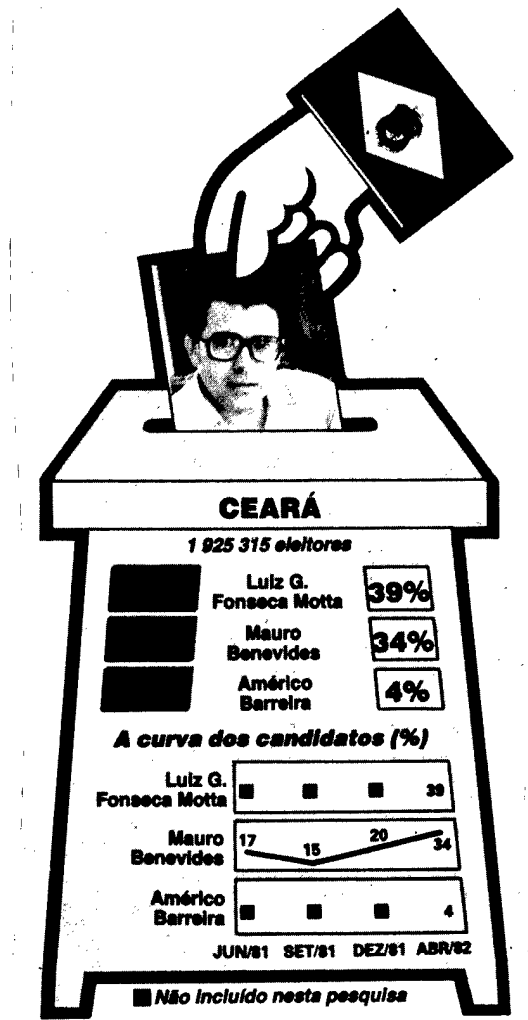
The excellent statistical gain made by Benevides is proof that, were it not for establishment of linked voting, which obligates a voter to vote for candidates of only one party for all offices being contested, Motta would be in trouble. In 1974, for that matter, Benevides was elected senator thanks to the informal support of Virgilio Tavora. Agreements of that nature are no longer possible. To avoid risking their own careers, all Ceara PDS leaders must seek votes for the party's official candidate--which virtually destroys Senator Benevides' electoral chances, even though he has, at present, a rating only 5 percentage points lower than that of the favorite.

#### Iris Does Not Advance With Santillo's Withdrawal

Former Goiania mayor Iris Rezende, PMDB, is holding on to a good lead over his PDS opponents, Otavio Lage and Ibsen de Castro. But he no longer appears unbeatable nor does he seem to be the irresistible center of attraction for Goias opposition forces: after all, withdrawal of Senator Henrique Santillo's candidacy, also of the PMDB, which did well in the previous round, did not improve his standing. With Santillo gone, the two PDS names in the poll gained a few points, the undecided contingent grew, but Rezende, surprisingly, remained where he was--in fact, he lost 1 percentage point. Perhaps it is an indication that the Goias PMDB Left, united behind Santillo, still disapproves of the candidate's populist methods.

Besides this difficulty in attracting his fellow party member's supporters, Iris Rezende will have to deal with the peculiar population pattern in Goias, a state where the capital city represents only 15 percent of the electorate. Iris Rezende is very strong in the state capital but the PDS has a very solid base in the small and medium-sized communities that compose the bulk of the Goias electoral college. Rezende is helped by the size of the PMDB, which has 37 percent of the party preference. But the PDS is close behind and leaped from 28 percent to 35 percent in the preference of Goias voters.

Rezende may benefit from Governor Ary Valadao's insistence upon preventing former governor Otavio Lage, his political adversary, from being the PDS gubernatorial candidate. First, Valadao, who controls the majority of PDS convention delegates, tried to help the candidacy of Deputy Ibsen de Castro. As his protege was unable to get airborne, the governor is now thinking of launching the candidacy of Federal



Deputy Brasílio Caiado--but he faces the growing opposition of factions that prefer to depend upon the electoral strength of Otavio Lage, already duly tested at the ballot box. Valadao seems to be waiting for a decision to emanate from Planalto Palace. A month ago the problem was the subject of a report now reposing in the desk of Minister Leitao de Abreu on the third floor of Planalto Palace. Maybe the Gallup findings will hasten a solution.

8834  
CSO: 3001/143

## MILITARY SOURCE NOTES FARC, EPL RIFT

Bogota EL TIEMPO in Spanish 22 Mar 82 pp 1-A, 5-B

[Text] A lieutenant, a soldier, and six guerrillas died yesterday in bloody confrontations between military troops and guerrilla commandos in Caqueta, Cordoba, and Huila.

The commander of the army, Luis Fernando Landazabal Reyes, gave an exclusive confirmation to EL TIEMPO that M-19 guerrillas dynamited a highway in Caqueta that was being traveled by a military patrol; one soldier died and nine others were seriously wounded.

Moreover, a lieutenant and a noncommissioned officer received serious bullet wounds and were taken to Central Military Hospital yesterday.

General Landazabal also divulged that the army dealt a stiff blow to the M-19 guerrillas in Huila; "Lieutenant Jorge," one of the group's chief leaders in that region of Colombia, was reported among the casualties.

A shotgun, two rifles, a submachine gun, a revolver, 52 rifle cartridges, 32 revolver cartridges, as well as field equipment and bombs were confiscated.

Lieutenant Luis Antonio Medina was wounded in that confrontation and died shortly thereafter. The incident took place in the sector of San Jose. Four other M-19 members were captured.

A military source also confirmed that troops belonging to the Junin Battalion No 7, who were quartered in Monteria and under the eleventh operative command attached to the Fourth Brigade, reported that four other guerrillas belonging to the FARC [Revolutionary Armed Forces of Colombia] and the EPL [Popular Liberation Army] were among the enemy casualties.

Important documentation was found on one of the dead rebels containing the names of the principal leaders of the Fifth Front of the Revolutionary Armed Forces of Colombia.

The insurgents killed in Cordoba were Ubaldo Teheran Florez, Benito Antonio Ariza (A) Tocayo, German, or Ezequiel. The source likewise confirmed that FARC executed four other members of EPL in a war between the two groups over the collection of extortion money from important cattle raisers in Antioquia and Cordoba.

The document found on the dead insurgent confirms that Noel Mata (A) Narino is the head of the FARC Fifth Front. Other members are Libardo Jesus Perez Restrepo, (A) Corinto, Oscar Usaga (A) Trujillo, N.N. (A) Julio, and Luis Essau Durango Gaviria.

Other confiscated documents show how the Communist Party finances the political campaigns of some of its members with money gotten through extortion and kidnapping.

In Caqueta

A soldier and an M-19 insurgent died late last Saturday afternoon during a confrontation that took place at the locations of "Santa Helena" and "La Ruidosa," less than 50 km from Florencia in Caqueta.

Fighting broke out when a military convoy belonging to the Barranquilla Battalion, which was under the command of Lieutenant Bonilla and on route from Florencia to Neiva, was ambushed when it reached the top of the aforementioned location.

The group of military men was attacked with bombs and fragmentation weapons and one soldier died instantly.

In the subsequent confrontation in which the military men fended off the attack, one of the guerrillas died.

The rebel group also blew up a bridge and ground communication between Florencia and Neiva was interrupted.

Furthermore, electricity was cut off from 6:30 PM on Saturday, when the insurgents blew up one of the power cable towers. The district has been without electricity since 6:00 PM [as published] on Saturday.

The first information received on the ambush was supplied yesterday, Sunday morning, when the passengers of several buses that had been held up since the attack took place finally arrived in the capital of Caqueta. Even though the witnesses only saw the body of one soldier, it is believed that the number of casualties on both sides must be higher, since the fighting continued at day-break and during the early morning hours on Sunday.

At noon Jose Maria Catano, EL TIEMPO reporter in Florencia, traveled to the location of the fighting in search of information, but it seems he had transportation problems, and as of 5:00 PM he had not returned to Florencia.

There was also an attack reported committed on the town of Santa Ana de las Hermosas by M-19, at a distance of 25 km from Florencia. The insurgents remained in the town several hours, harangued the population and announced that M-19 had just begun a war to sabotage the upcoming presidential elections.

The revolutionaries took the secretary of the police department as hostage, but freed her later.

Troops from the Juanambu Battalion began pursuing the rebels, and it is known that several armed confrontations took place. The reluctance of the military authorities to talk, however, has been complete, and it is not known just how many casualties both sides had in the end.

## 'MAS' THREATENS M-19 LEADERS WITH DEATH

## Toledo Plata Among Threatened

Bogota EL TIEMPO in Spanish 22 Mar 82 p 6-B

[Text] The "Death to Kidnappers" movement--MAS--sent Dr Carlos Toledo Plata, one of the principal leaders of M-19 who is confined in the La Picota prison, a message that announces his death within the next few days.

MAS expresses to him its condolences in advance "for his early disappearance," and extends the same to the other members of the subversive organization that share his confinement.

Identical threats have been issued to the other members of the high command of the subversive organization who are in custody.

A source close to the prison stated to this daily that Carlos Fayad Delgado, Andres Almarales, Carlos Pizarro Leon-Gomez, Israel Santamaria, and Toledo Plata are among the M-19 members threatened by MAS.

It also bears mentioning that MAS also sent a similar message last week to attorney and Senator Humberto Criales De la Rosa, who devotes himself to defending insurgent group members at court-martial preliminary hearings.

## Families Appeal to Press

Bogota EL TIEMPO in Spanish 24 Mar 82 p 14-A

[Text] Virginia Sanjuan de Duplat, chairwoman of the Committee of Political Prisoners' Families, reported yesterday that Carlos Toledo Plata and other leaders of M-19 have been threatened with death and asked for the cooperation of the press to prevent what she termed "a massacre."

At a press conference attended by more than 20 mothers of guerrillas in custody at the La Picota prison, where these women wore white shawls, Mrs Duplat categorically warned, as she cried, that "we are willing to fight tooth and nail to defend the lives of our children."

The spokeswoman of the Committee of Political Prisoners' Families complained that soldiers have searched the cells of the presumed M-19 members twice in less than 15 days, and she called their cells "cruel and inhuman."

Mrs Duplat maintained that during the last inspection carried out on 18 March, the soldiers confiscated the prisoners' television sets, books, parlor games, pots and other kitchen utensils, and even drugs that some of the prisoners need to take daily. For example, Carlos Pizarro Leon-Gomez suffers from epilepsy, Augusto Lara Sanchez has a heart condition, and Alvaro Fayad Delgado has an ulcer. She added that the inspection was so relentless that even photos of their children and other loved ones and items for personal hygiene were seized.

She said that it was so excessive that Mr Pizarro Leon-Gomez' contact lenses were taken from him and trampled to pieces. Mrs Sanjuan de Duplat, who is the mother of theater director Carlos Duplat Sanjuan, reported that a special grill is being built in the La Picota prison to prevent any contact between the prisoners and their families.

She pointed out that during the last few days the principal leaders of M-19 have received some 12 letters containing death threats. "Their lives are hanging by a thread," she said.

She complained about the inspections and said that the first one was carried out at 6:00 AM on the day before the 14 March elections and that during that search the women guerrillas were forced to disrobe in the presence of soldiers and other plainclothes military men and bend over for 2 hours.



[Photo Caption] Mrs Virginia Sanjuan de Duplat (seated first on the right) as she spoke with newsmen yesterday to denounce the excessive zeal of military authorities in inspections of political prisoners and the death threat hanging over the main M-19 leaders imprisoned in La Picota.

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CSO: 3010/1362

## MONGE AIMS TO STOP ARMS TRAFFIC, TERRORISM

PA151556 Panama City ACAN in Spanish 0151 GMT 15 May 82

[Text] Panama City, 14 May (ACAN-EFE)--Costa Rican President Luis Alberto Monge announced here today a vigorous policy, more strict legislation and police training "in democratic countries, of course," to fight arms traffic and terrorism.

At a news conference, Monge said he is determined to restore the national and international image of Costa Rica, considerably affected by the intense arms traffic permitted there in recent years.

The president explained, however, that the stiffness of the antiterrorist policy and that against the illegal arms traffic shall not impair Costa Rica's traditional policy of asylum.

Monge asserted that the Costa Rican people will cooperate to put an end to those two problems.

The president of Costa Rica arrived in Panama at noon to participate this evening in the closing ceremony of a conference on commerce and development in Central America and the Caribbean. In the afternoon he met with Panamanian President Aristides Royo.

Although he asked reporters to excuse him if he answers questions sparingly on international matters because he is currently "absorbed" by his country's economic crisis, Monge explained Costa Rica's position concerning the Malvinas conflict.

"We believe Argentina's claims are legitimate, but we disapprove of acts of violence to impose respect of your rights," the Costa Rican president said, thus marking a distance between his position and that of his predecessor, Rodrigo Carazo.

"We deplore the fact the United States abandoned mediation efforts to support Great Britain, but we did not fall prey to the hysteria of thinking of attacking the United States, much less of removing the OAS from Washington," Monge added.



He was again referring to his predecessor, who asked for the transfer of the seat of the OAS, in view of the U.S. stand in the South Atlantic conflict.

According to Monge, if such a transfer should be agreed upon, it should be done in a climate free of tensions, because at this moment it could be interpreted as a hostile act against the United States "and the Costa Rican people are not anti-North American."

Answering a question to ACAN-EFE on the Central American common market, in another part of the news conference, Monge said his government believes it necessary to revitalize and even rebuild that integration mechanism "which crumbled due to political actions of the past few years."

The president added, however, that such a reorganization of the common market may be long and difficult, which is why Costa Rica is already thinking about other markets from the Caribbean, Mexico, Panama and the southern part of the United States.

CSO: 3010/1590

## SPEECH BY ROBERTO VEIGA TO PUBLIC ADMINISTRATION UNION

Havana TRABAJADORES in Spanish 22, 23 Apr 82

[Closing speech by comrade Roberto Veiga, secretary general of the CTC and alternate member of the Politburo, at the Fourth National Congress of the Public Administration Union on 20 April 1982, "24th Year of the Revolution"]

[22 Apr 82 p 2]

[Text] Comrades:

The words traditionally spoken at the end of these events are usually called conclusions. That is not really correct. The conclusions are recorded in the documents and resolutions approved by the delegates. Therefore, consider our speech short reflections on some of the many topics discussed in the congress and on the congress itself.

The election for the national committee and the secretariat of the union was held a few hours ago.

With this election, comrade Machin completed the mandate given him at the third congress of the union. No one questions the efforts made by that comrade to fulfill his responsibilities and, despite the problems that must still be confronted and solved, no one can deny the progress achieved by the union during these years.

A new comrade has been elected secretary general of the union as part of the natural renewal that our work requires. He is comrade Oscar Suarez, a recently elected member of the national committee of the union and former chief of the Organization Department of the CTC [Central Organization of Cuban Trade Unions]. Comrade Suarez comes from this sector and has more than 12 years' experience in union work.

The baton has simply been passed between two runners on the same team who will continue on the same team.

The members of this union have very different tasks, are spread throughout the country and work in dozens of different organisms. In other words, this is a complex union.

The work of this union is very important. The organization of our society, particularly the development of our economy, cannot be conceived without you. The work that the members of this union do is very useful and essential since, in the construction of socialism, productive work and administrative work are closely related. In our society, public administration is not a bureaucratic system at the service of the dominating classes as it is under capitalism. It is rather an instrument at the service of all the people and very directly tied to production. Therefore, no worker represented at this event has any reason to feel unimportant because his work is technically called unproductive. Everyone's work is indispensable, its social value is obvious and that work will be esteemed more as it is done better, with better quality. That is the reason for the importance that this congress can represent if its results help improve the work of our administration which is the objective for convoking it.

The vast changes that have occurred in the country as a result of the new political administrative division, the formation of the organs of people's government and the progressive implementation of the Economic Management and Planning System have been accompanied by the hard, sustained work of the workers affiliated with this union.

We could point out many examples of the selfless and productive work of the planners, bankers, comrades in statistics and accounting, workers in finance and prices, those who work in foreign service, those responsible for metrology and standardization of quality, those in charge of work organization and the introduction of computer technology, the workers in the justice sector and state arbitration, those who work in the organs of people's government, those who do hard work in community services and many other members of the Public Administration Union. During these years, they have merited the recognition of all our people.

Of course, the successes achieved and the efforts made do not mean that everything is done. On the contrary, they demonstrate what can be done and how much remains to be done.

Can it be stated that the work of the public administration does not suffer from problems that can be solved? We do not believe that anyone can answer this question affirmatively. As long as this is true, we must be dissatisfied.

To consolidate progress achieved means detecting and firmly fighting all the problems. It is an unavoidable obligation of the union to make the workers aware of them and to mobilize them in the fight to completely eliminate them.

The union has the duty to defend the rights of the workers consecrated in our revolutionary legislation. However, there can be little progress in this field if it does not act consistently to promote enthusiasm and greater participation by the workers and to develop their awareness in the fight to carry out the daily tasks.

In our opinion, the main objective of this union is to make our administration efficient and inexpensive.

We must point out to you that we expected the deliberations at the congress to put the required emphasis on the fight to achieve this objective. We are not insinuating that the problems that were presented are not important. Everything that was said had to be said; however, everything that had to be said was not said. At least, that is the way we see it.

There are still branches and offices where it is necessary to organize and supervise the work better, be much more expeditious in solving problems, ban red tape, advance in the fight to strengthen discipline and achieve better exploitation of the workday. In some places, there are more workers than needed and other forms of bureaucracy proliferate. There are places that work directly with the people where those who require these services and go there for the transaction of a certain matter are treated poorly. It would have pleased us to hear union initiatives to solve all these problems.

There are officials who are habitually inaccessible to the people they must attend to, who try to resolve all the problems by telephone or letter. There are those who mechanically apply laws and provisions, who are excessively tolerant and who do not dare make any decision within their jurisdiction without orders from above. It would have pleased us to hear concrete actions proposed by the union to overcome this situation.

As opposed to what generally happens in our union congresses, the discussion did not keep a consistent relationship between duties and rights.

During these years, the union has made an effort to organize an emulation. There are cases where that effort has yielded concrete and tangible results. There are other cases where we cannot make that same statement.

We join those who believe that socialist emulation can be a major contribution to the fight to achieve an efficient and inexpensive administration. We mean a well conceived emulation, void of any formalism.

The emulation is based on certain principles that must be respected by all. However, respect for those principles does not exclude the unavoidable duty to creatively adapt the forms and content of the emulation to the conditions of each place.

The organization of an emulation in a bank does not have the same requirements as one in JUCEPLAN [Central Planning Board]. We could say the same thing about the State Committee for Labor and Social Security and the Ministry of Foreign Relations as well as many other organisms. If the peculiarities of each organism in this union are not taken into account when organizing the emulation, it will inevitably be undermined by mechanicalness. As is logical to assume, it will not be able to promote the interest and enthusiasm of the workers. To achieve progress in the organization and development of the emulation in this union, all its leaders must know the specifics of each organism in it and fully understand its institutional objectives. In this union, more than any other union due to its characteristics, generalizations in planning the emulation are counterproductive and can lead to notorious inequalities that foment dissatisfaction and discontent. We feel that it is necessary to reflect very seriously on these problems.

On the other hand, it is necessary to fight hard so that the commitments of the emulation, especially the individual commitments, are void of abstractions. In addition to not implying any concrete obligation, they cannot be measured later. We know that this is not easy in this union. We are convinced that it will require initiative, ability, creativity and a willingness to reject anything that might be a formality. We must add that when individual commitments are not clearly established, subjective evaluations usually predominate in the assemblies. This makes some of these assemblies superficial and, instead of promoting enthusiasm and the spirit of work, they encourage uneasiness and even discouragement.

Also when subjective evaluations prevail, the deciding point sometimes is the number of hours of volunteer work. A basic question is ignored in the analysis: Was what had to be done in the 8 hours of work really done? Volunteer work that is done to make up for what was not done during the time when it could and should have been done is not meritorious.

In some places when the emulation goals are set, commitments for the number of hours of volunteer work monthly, quarterly or semiannually are set first in violation of the guidelines. Since it is necessary to fulfill that goal, volunteer work is sometimes invented. It seems to us that "planned" hours of volunteer work reflect a facile attitude. There is no imagination in specifying and measuring what we should do during the workday. This practice distorts the educational value of volunteer work, affects the emulation and hurts efficiency.

There is emulation when all fight conscientiously in each place to fulfill or overfulfill the plan, especially when each one, individually, has what he should do clearly defined and works systematically, enthusiastically and selflessly to do it.

The municipal and provincial evaluations attended by union leaders and workers are very important. There they learn the results of the emulation, agree on their goals and take on new commitments. The enthusiasm shown in them is contagious and mobilizing. These evaluations are very important, particularly when they are not convoked during work hours. The most important aspect of the emulation is the attitude that the worker assumes to fulfill his commitment there in his job.

The criticisms that we made about the ways volunteer work is promoted in some places does not refute but, on the contrary, assumes that we are for volunteer work. Of course, we are not for volunteer work that serves to cover up problems and does not contribute, in our opinion, to forge our communist awareness.

We were thinking precisely of this yesterday when the problem of "compensation" was discussed in the morning session. In the end, apparently everything was cleared up but there were moments when we thought that what was being presented was a rejection of volunteer work by the public administration workers. There were times when the direction that the debate took concerned us.

We tried to give some explanations about this problem yesterday. The majority of those who are here today were not here yesterday; therefore, we feel we should return to the subject even though we have to reiterate some arguments. Yesterday we explained to you how, at the end of the 1960's, our workers--animated by their revolutionary spirit--carried out a movement rejecting payment for overtime. We told you that the intention of this decision became meaningless in time since unpaid overtime began to proliferate without taking into account whether it was necessary or not. It was verified that, in many cases, it was more expensive than paid hours of work because it reduced real production and yield per man-hour.

As we explained, this problem was discussed with all the workers of the country in the assemblies before the 13th CTC Congress. Everyone decided to request the reestablishment of payment for overtime under certain conditions, the fundamental one being that it answered real production or service needs. It was agreed that overtime would be paid precisely to avoid using it. It was stated that using overtime had to be considered a demerit, not a merit.

We remember that, on that occasion, all the workers in the country decided that overtime would not be paid in the public administration sector. Yesterday we also explained the reasons to you.

We pointed out to you that in the production sector, given the established requirements, every centavo invested in payment of overtime would have its counterpart in the creation of material goods. In the public administration sector, the nature of the work, its organizational problems, the absence of norms and other factors made that guarantee impossible. This meant that, in this sector, the principle of paying each one based on his work had to be applied by demanding that the work established for each job must be done during the normal workday.

We added that the process of tying wages to norms began at that time. Consequently, payment of a proportional part of the wages when the work was interrupted was established. In the case of public administration workers, no effect on their wages was foreseen in similar situations.

The reasons that advised this decision by the 13th CTC Congress still prevail. There is nothing that advises revoking it.

This proposal called "compensation" consists in accumulating a "time fund" with the additional hours that are worked individually in order to subtract them later from the normal workday. We see it like establishing a bank--certainly not the National Bank of Cuba--where hours are deposited against which checks could be written, deducted from the normal workday. We can assure you that this practice is not going to solve any problems. On the contrary, it would create innumerable organizational problems and would be a germ that would eventually hurt discipline. There are other negative effects that we could cite from the political point of view.

We feel the obligation to advise you, comrade leaders of the Public Administration Union, that the important thing here is not to demand "compensation"

which is illegal. The most important thing, the revolutionary thing, is to fight untiringly against disorganization, improvisation and all the problems that come from indiscriminately adapting supplementary hours of work.

We do not ignore the fact that there are places where this "compensation," although not officially approved, is applied in different ways.

There are workers who spend more than half the day without any work and then, in the latter part of the workday, are given a work load that requires them to remain at their job for 2 or more additional hours. When this occurs frequently, a tacit agreement tends to arise between the administration and those workers. They show tolerance when these workers come to work late or take extra time at lunch or breaks. These concessions are sometimes widespread as are others like granting permission to attend to personal needs during work hours or justifying all absences from work.

All this leads to anarchy and the introduction of bad habits in our members' attitude toward work.

There can be some temporary situations when inevitably, and for fully justified reasons, the workers have to be asked for an additional effort. We are convinced that when that occurs, the public administration workers will respond positively as they have done until now, emulating the workers in industry, agriculture, transportation, construction, education, services, etc.

Have the workers in our state branches and offices shown signs of daily heroism? We can state that revolutionary spirit and hard work are common among secretaries, office workers, typists, stenographers, translators, file clerks, drivers, internal service personnel, technicians and officials who work in the organisms in this union.

The labor feats of the workers that you represent will not often be in the newspapers and cannot be measured like those of a cane cutter. However, our people and all the working class are aware of them. The public administration workers have not ignored the call of the fatherland. Their humane and revolutionary quality has been present during the crucial moments of our history. With legitimate pride, they wore the glorious militia uniform at the Bay of Pigs, in the October Crisis and during other calls for the defense of the fatherland. With the other workers, they participated in the historic Marches of the Fighting People and many are in the MTT [Territorial Militia]. They have resolutely answered the call of internationalism and many other revolutionary tasks.

Therefore, we have the conviction that volunteer work, as an essential way to help forge and develop communist awareness, will continue to be strengthened among you, demonstrating how solid the moral values are that predominate among our people and that attract the admiration of the world today.

We must find ways to recognize the effort of the selfless and overworked workers. That is only fair. It is inseparable from the duties of the union.

However, we must seek real answers that truly motivate and that contribute to strengthen your political, revolutionary and communist awareness. We have to nurture this as if it were our favorite child.

[23 Apr 82 p 2]

[Text] Everything that we have achieved during the course of these years is due to the exceptional quality of our workers and our people. Their revolutionary awareness and their worker determination to conquer are way in front of the progress that we have achieved in the material and technical base of our society. That makes us proud.

This is indispensable especially under our conditions and in the world today. Wealth can increase and awareness decrease but that alternative would be fatal. Our socialist future rests, above all, on the immortal strength of our ideas. We will never be able to coexist with any practice that tends to weaken those ideas.

We aspire to having our public administration workers become more aware, more revolutionary, more communist each day!

We feel the unavoidable obligation to warn you about the dangers that we see in this idea of "compensation." Although inspired by a wholesome intention, it can lead to undesirable effects that will cause greater problems than those we are trying to solve now. We know that our opinion did not agree with some initial proposals presented yesterday by some delegates to the congress. Always respecting divergent opinions and trying to reason and argue and especially never to impose, we want all of us to reflect on this matter.

Occasionally, we union leaders must take positions that disagree with those formulated by other comrades; they might even differ from those held by a majority. We are union leaders of the first state of workers and peasants on the continent. The great honor and responsibility that the mandate that the workers have given us confers on us always imposes the obligation to say not what might most please those who hear us at any given moment but what best suits the interests of the revolution.

Yesterday confidential jobs were discussed. Many of the organisms in this union have jobs that demand a high degree of responsibility where there is access to information that must be kept in the strictest confidence. Therefore, there must be strict technical and political selective criteria for these positions. We do not deny that in some institutions in this union, due to their extraordinary importance, the need might arise that all its workers hold an ideological position and a political attitude consistent with revolutionary principles.

It is necessary to be realistic and never forget that the enemy is very close, only 90 miles away, and is obsessed with the idea of destroying the revolution. It uses all the means in its reach to do the greatest harm possible to us. We have the right and the unavoidable duty to defend the revolution. It is necessary to fight hard to be invulnerable to the actions of the enemy.



For that reason, the workers not only support but demand that our administration exercise the prerogative of filling those jobs that need justifies with reliable personnel. It is very important that the union fight for this prerogative to be applied consistently, always watching to prevent its improper use. If we point this out, it is precisely because we can think--like some of you--of those cases where there are attempts to define jobs as confidential which really are not, thus violating the right of the workers to rise to higher level jobs on the scale.

Problems that unquestionably have a negative effect on labor discipline were presented in the congress. The need to analyze and find solutions to the difficulties that working women face in shopping in clothing stores was forcefully presented. Also the need to analyze the results of the experiment of the varied schedule in Havana City and some other problems included in the agreements of the congress which must be considered by the union were discussed.

Independent of the criticisms that can be made, our public administration has advanced in the search for greater efficiency and is already beginning to assimilate some technical elements of great value. However, concerning this last part, we are still very far from our most modest aspirations. It is necessary to put technology more at the service of administrative work. That is indispensable to progressively increase work quality.

In the administrative sphere, it is necessary to advance much more in the objective of replacing work quantity by quality.

In some places the problems of low skill mean that there are workers who do less than they should and, inversely, there are others on whom the weight of the work falls. This situation causes underutilization of the work force and the unjustified increase of personnel.

Therefore, in this union the fight for worker education and training is very important.

You victoriously fulfilled your commitment in the battle for sixth grade. We know that you are now concentrating your energy on the new battle for ninth grade. The figures achieved in the incorporation of workers at this level of education are encouraging. Overfulfillment of the predicted enrollment and the levels of attendance and continuation demonstrate this. These are unquestionable achievements. Nevertheless, facing the magnitude and complexity of this task, we must remain alert and energetically resolve any problem that might affect it.

Work quality means constantly increasing the professional skill of the administrative employees and officials and intermediate and advanced technicians--that is, all the workers of the different specialties involved in the activities of the organisms in this union.

Yesterday some speeches advocated the need to guarantee fulfillment of work safety and hygiene measures. The union must emphasize this task, particularly

among the community service workers who do self-sacrificing, anonymous work of extraordinary social importance.

In the stage being analyzed, the union has achieved distinguished accomplishments in the affiliation of workers, collection of union dues and other organizational tasks.

During these years, the union has tried to strengthen its organic life. Although some progress can be seen, we are still far from the objectives that we pursue. It is unacceptable that there are intermediate leadership organisms that do not hold their meetings as scheduled. Noncompliance in holding periodic meetings of the union bureaus and sections and the general membership assemblies is equally unacceptable.

If those meetings and assemblies in our base organizations are important, even more important is how they are prepared, their content, how they are held, what problems are brought to them, what agreements are adopted, how they are fulfilled and supervised and how and when the corresponding information is given to the workers. It is indispensable to continue strengthening our relations with the base union organizations in order to carry this task out successfully.

Of course, we cannot limit those relations to formal visits that, in some cases, are exclusively to obtain data. When we say relations with the base, we mean the meetings that we must hold with the bureaus and secretariats of the union sections and with the workers to learn their problems and deficiencies and help them overcome them, to learn their problems and commit ourselves to their just solution.

No matter how much we do to give systematic and constant attention to our base union organizations, it will never be enough because we do not go there only to learn problems and concerns in order to help solve them which is our main duty. We also go there to learn from the rich experience of our workers which permits us to plan our work better. That is where those who, with their intelligence, their perspiration and their revolutionary conviction and passion, carry out the tasks that the revolution has entrusted to them in their work sphere.

When this style is developed, we know of capable and dynamic union leaders with authority and with perspective to whom tasks can be entrusted and of whom progress can be expected. We find well intentioned and enthusiastic union leaders who are lacking experience, guidelines and suitable methods; it is necessary to help them so that they can correctly carry out their responsibilities. We also see other union leaders who must seriously concern us. We are referring to those who, facing problems, habitually respond evasively: "Kid, I don't know." "Well, what do you want me to do?" "Okay, but it's not my fault." "You are right but that decision comes from above." We are also referring to those union leaders who, instead of representing the workers to the administration, seem to be representatives of the administration to the workers, those who, through their actions, sow the feeling among the workers that the union is useless.

According to the information in the report, we see that women make up a considerable part of the union: 47 percent. It should also be pointed out that the number of female workers who are base union leaders is even higher--54 percent.

Nevertheless, the number of working women who are professional cadres in the different levels of union leadership is not in proportion. It only reaches 28.5 percent. This percentage is even smaller in administrative leadership. This was pointed out yesterday in the deliberations of the congress.

There cannot be a valid explanation for this situation since working women, although still limited by certain burdens in the home, have been capable of giving invaluable contributions on the different fronts where the revolution has demanded their presence. Our working women are in the different socio-economic branches of the country. They stand out as technicians, specialists in scientific and educational activities, etc. In addition to all that, they are union leaders and participate in the labor guard for their work centers. The great majority are members of the CDR [Committees for the Defense of the Revolution] and the FMC [Federation of Cuban Women] and many of them hold leadership positions in those organizations. Many are FAR reservists or belong to the MTT. Hundreds of our women have carried out and are carrying out internationalist missions.

In short, our women of today are worthy heirs of our glorious women of the past who, from the fight for our independence until the long, dark stage of the oppressed republic, did not shirk any sacrifice for a better future for the fatherland. Also our working women constantly advance and, in many cases, surpass the men in school. It is no longer sixth grade; now tens of thousands fight the battle for ninth grade. Tens of thousands are in the Workers and Peasants Faculty and in courses for skilled workers and intermediate technicians. Thousands are studying at the universities and other thousands already have high levels of cultural, technical and university education.

We might ask: Where are the limitations of our working women that prevent them from holding intermediate and advanced leadership positions?

We think--and we say this with all frankness--that in many cases the limitations are not in them but in many leaders who underestimate their ability. Leaders who discriminate against them, ignore them and prevent them from holding leadership positions demonstrate that they themselves must fight to rid themselves of certain remnants of the bourgeois past that have taken root in their minds. The union must fight systematically against those harmful positions that hurt the equality of women which is unacceptable in our society of workers.

The congress is over. Fulfillment of its agreements and resolutions will require maximum effort by its leaders and members in the coming years.

We hope that the new leadership elected today assimilates accumulated work experiences as it should. It is important to keep in mind the successes but especially the mistakes.

The country needs a strong and powerful National Union of Public Administration Workers that contributes to the improvement of the work of our state institutions and that constitutes a detachment that fights untiringly against deviations, bureaucracy and all its manifestations.

The coming years will not be easy. Mankind lives in times of great danger as a result of the irresponsible, adventuresome and aggressive policy of the present U.S. administration.

They threaten us and organize military maneuvers near our coasts and even in our own territory in a crude practice invasion of our fatherland. They announce blockades and direct aggressions.

Our people calmly and firmly respond to the imperialist aggressor, increasing their efforts in their two basic tasks: production and defense. Only a few hours ago, our people gave deserved homage to the brave Bay of Pigs soldiers who handed the Yankee imperialists their first military defeat in America.

With the spirit of the Bay of Pigs which summarizes all the heroic tradition of a long and glorious past of our people's fight, our rifles are raised again today to defend the fatherland against any attempted imperialist outrage.

Next to the veteran and invincible FAR and the Ministry of Interior, we have a powerful and combative complementary force today, the MTT.

Recently we made a public report on the revenue obtained to finance the MTT and its expenses thus far. We think you have had the opportunity to learn about this through the press.

As always when there is a problem, the appropriate responses that contribute to a just and definitive solution rise from our heroic workers. It was precisely on 16 April at the main ceremony held in Santiago de Cuba where a militia worker formulated a proposal in the name of the 578th MTT Division of that city. It was unanimously approved by all those present at that ceremony.

In essence, the mentioned proposal which has been published in the press calls to the workers and all the people in Santiago de Cuba to adopt the decision of the mentioned division to develop the necessary financial resources to help pay the expenses of the MTT permanently with the earnings obtained from "economic, social, cultural, sports, scientific and recreational activities."

All the workers in the country including the workers of the Public Administration Union offer their enthusiastic, valuable and revolutionary support to this proposal to sustain and develop our MTT, worthy heirs of the glorious National Revolutionary Militia.

Comrades:

Our fighting people will again show their strength on 1 May. The people of Havana, representing all the country, will shake the foundations of the historic Plaza de la Revolution. Once more we will show the Yankee imperialists what Cuba is, what our revolutionary people are and the type of resistance they will find if they try to put their bloody paws on our fatherland under any pretext.

Comrades:

The life of our workers and all our people is no longer the miserable life of the exploited and oppressed people of yesterday. The life of our workers and our people is the present life of work, security, freedom and respect for human dignity and the certain hope of a brighter future shaped with effort. It is confidence in the inexhaustible creative capacity of man, the full realization of the human being.

No force, no matter how powerful, can take away those achievements that have brightened our lives with the radiant light of socialism. That is the reason for the indomitable will of our people and our workers--including, of course, the public administration workers--to defend their socialist revolution to the last drop of blood.

Long live the workers of the Public Administration Union!

Long live proletarian internationalism!

Long live 1 May!

Long live the Communist Party of Cuba and our invincible commander in chief, comrade Fidel!

Fatherland or death!

We will win!

7717

CSO: 3010/1543

## RESULTS OF 'OPERATION MATILDA' DISCUSSED

Havana JUVENTUD REBELDE in Spanish 21 Apr 82 p 2

[Article by Lazaro Barredo Medina]

[Text] The fight against criminal actions, peddlers and scheming, and against the apathy towards mistreatment of the people will not be effective if there is no change in the work style of some officials who manage enterprises that deal with public services.

This is so because constant and daily control over subordinate units must come from the enterprise itself so that service is rendered as it should be and the deforming and corruptive vices generated by the lack of vigilance are ended.

The country does not need bureaucrats. It needs administrators who see to it that the public is given careful service and who are zealous guardians of the interests of the socialist state. The problems will not end if they manage only from their offices,--deeply involved in paperwork and meetings--and exercise control on whim.

No one doubts that the officials of these enterprises are hard workers. However, the revolution wants results from the effort to make correct use of resources and that the people are satisfied when they receive services.

Operation Matilda, conducted a few days ago by Domestic Trade [Ministry] inspectors and PNR [National Revolutionary Police] officers at milk distribution points of Plaza de la Revolucion municipality in our capital, is an example of how weaknesses make corruption possible.

The trade enterprise of this municipality was not selected at random, but because analyses over the past few months showed that it was the one reporting the least surplus goods.

However, the operation showed serious irregularities. Administrative violations at all the units and delinquent actions in 29 of them were uncovered as a result of the lack of control and exigency.

For example, it was confirmed that information in the consumers registry did not agree with the real figures of the sales centers, thus generating surplus milk which, of course, facilitates the clever sale of the controlled product (25 cents) as uncontrolled (80 cents), and the personal appropriation of these state resources.

This--in addition to noncompliance with the documents of the daily stock standards (PA 10) and the conspicuous alterations in certain delivery forms of distributors of the ECIL [Dairy Industry Consolidated Enterprise]--is a source of profit.

Just to have an idea, 700 liters of surplus milk were found at 11 units. Should this occur daily at this level, it would mean that in a year 250,000 liters of milk are peddled in this municipality at the expense of the state and people.

It is inconceivable, that the milk which a working family cannot get during the day for whatever reason can be misappropriated by these individuals. And all this occurs under the noses of our management officials.

It is likewise unacceptable that because of negligence, violations occur on the settlement of the cash account from daily sales--2,000 surplus pesos were uncovered in the cashbox of 22 units. Should it occur to this extent during the year, it means that 730,000 pesos--the construction cost of two or three nursery schools--are misappropriated from the state.

There is no explanation for any of this. However, one can see why these "dealers" are like cork and float when one sees that the administrators are the first violators and even the first guilty of work indiscipline; that certain zone chiefs do not do their work; that the existence of products that have nothing to do with the specific economic activity is permitted where everyone can see them for possible sale.

Operation Matilda is an alert. It shows that if such a corrupt bandit can operate, often with impunity, it is because of our weaknesses and lack of vigilance. And the people and the economy suffer the consequences.

The battle against crime is not won with such tolerance. If there is no awareness of this at the enterprises, we are turning the battle into an ineffective "slogan."

This battle must be won by all, but in the very first place, by the honest and truly revolutionary men and women who provide services and, above all, by those who perform missions in this sector.

Time must be taken from other activities, from rest itself, for it is imperative that management completely devote a good part of the time each day to the direct supervision of units and that the most severe measures be taken against the irresponsible persons, against the violators of socialist law.

This is no trivial matter. Let us think for a moment about what was happening at the milk distribution points of this municipality. The same could occur with other activities of domestic trade, with hotel and restaurant services and services in general, using the resources which, through countless efforts, the revolution provides to satisfy the needs of our people. Part of these resources are peddled by these unscrupulous persons to enrich themselves.

Today, more than ever, one must practice by deeds those words stated by Fidel at the People's Government National Assembly:

"We have the illusion that everything will go perfectly well spontaneously, but everything can go perfectly bad spontaneously.

"We believe too much on spontaneity or on automatic mechanisms to solve problems. And we do not realize that we have to wage a daily and incessant struggle, and that the number one, fundamental word in this struggle is exigency, exigency!"

Further words are unnecessary; only a few to those who dress up in antisocial clothes: Matilda goes, Matilda comes, and sooner or later the peddler will be stopped.

9925

CSO: 3010/1507



## HAVANA INTERVIEWS CAPE VERDE DEFENSE MINISTER

FL181955 Havana Domestic Service in Spanish 1700 GMT 18 May 82

[Text] First Major Honorio Chantre Fortes, member of the Political Committee of the African Party for the Independence of Cape Verde [as heard], and minister of national defense, has paid a visit to the Gen Maximo Gomez FAR Academy. Upon his arrival at the academy he was welcomed by Brig Gen Fernandez Falcon, director of the FAR Higher Studies Center, and other chiefs and officers of the training institution.

The Cape Verdian defense minister and his delegation received a detailed briefing on the structure and organization of the Higher Studies Center. The distinguished visitor had the opportunity to tour the vast campus of the institution while its director fully explained the subject matters being taught there.

During his visit to the FAR Academy, our political information reporter interviewed the Cape Verde defense minister (begin Chantre recording).

[Question] Major Honorio Chantre, could you tell us what importance your visit here has toward the development of fraternal ties between the two countries?

[Answer; in Spanish] In the first place we would like to say that our visit is within the framework of the close friendship existing between the people, party and government of Cape Verde and Cuba's and particularly between our armed forces. We believe that we will achieve our objectives, strengthening those ties and contributing to the efforts of the common struggle of the Cuban and Cape Verdian peoples.

CSO: 3010/1579

## MORA HERMAN ON BREZHNEV'S ARMS FREEZE PROPOSAL

FL200130 Havana Domestic Television Service in Spanish 0000 GMT 20 May 82

[Commentary by Carlos Mora Herman]

[Text] Brezhnev's proposal that the USSR and the United States freeze the development of strategic arms poses a test for U.S. President Ronald Reagan. Today's world is facing a choice between war or peace which is becoming more and more dramatic as time goes by in view of Washington's warmongering, provocative and bullying policy.

A recent study conducted by the United Nations shows that the world is spending \$20,000 per second, more than \$1,000,000 per minute, on arms. This means that \$650,000,000,000 are being spent on weapons every year.

President Ronald Reagan recently announced that he was prepared to meet Brezhnev in order to discuss the reduction of nuclear arms. Reagan's speech in Eureka, Illinois, was demagogic and it revealed that in the final analysis the United States is not interested in arriving at concrete and practical accords, but rather wishes to secure terms which will enable it to attain military supremacy over the Soviet Union.

Thus, the U.S. position toward global disarmament is unilateral and based on excluding from the talks all those strategic weapons which the United States is currently developing or will develop in the future.

Soviet President Leonid Brezhnev made a concrete and constructive proposal aimed at bringing peace to the world and this was not the first time he has done so. The Soviet Union has been consistent and repetitive in its will to make honest efforts to prevent a nuclear confrontation.

Less than 24 hours after Brezhnev made his proposal to the Soviet Komsomol Congress, Washington--through Secretary of State Alexander Haig and White House spokesman Larry Speakes--rejected the Soviet proposal by saying that the United States cannot accept a nuclear arms freeze.

Seeking to justify this inflexible position the U.S. Government insisted on its stand that the Soviet Union currently holds nuclear supremacy over the United States which means that a freeze would leave the Soviets at advantage.

In the final analysis Reagan's administration is simply insisting on its idea to disrupt the existing balance and to attain nuclear supremacy over the Soviet Union in order to be able to impose its policy on the world and to carry out its hegemonic plans.

The Soviet proposal is designed to prevent any of the two countries from engaging in actions capable of upsetting the current strategic balance. By freezing nuclear arms it would be possible to move toward a radical reduction and control of the existing strategic weapons and this would be a serious and firm step toward world peace. As Brezhnev said to the Komsomol Congress in Moscow, "Peace is no manna from the heavens, in order to maintain and strengthen it there is need for a hard, daily struggle."

CSO: 3010/1579

## RADIO HAVANA LAUDS PANAMANIAN WORKERS CONGRESS

PA190408 Havana International Service in Spanish 2310 GMT 18 May 82

["Our America" commentary]

[Text] The Sixth Congress of the National Federation of Panamanian Workers [CNTP] ended on Sunday in Panama City after 3 days of sessions. The meeting demonstrated the Panamanian workers' decision to make no concession to the national oligarchy and to imperialism. The participants in the meeting also approved resolutions of solidarity with the Cuban revolution and with the liberation struggle of the peoples of El Salvador and Guatemala and expressed unlimited support for Argentina's sovereignty over the Malvinas.

On closing the congress, CNTP Secretary General Jose Manuel Meneses reiterated the Panamanian proletariat's support for the peoples of Central America, Chile, Uruguay, Paraguay, Bolivia and Haiti. He also stressed the Panamanian workers' solidarity with the revolutions of Cuba, Nicaragua and Grenada.

The speech by Roberto Veiga, head of the Cuban delegation and secretary general of the Central Organization of Cuban Trade Unions, was warmly received by the congress participants. He stressed that the Cuban workers' solidarity with their Panamanian brothers is not only pure and disinterested, but is unconditional as well.

Veiga said that all of the Cuban people energetically condemn the U.S. maneuvers intended to violate the canal treaties and the U.S. violation of the neutrality treaty by using territory within the so-called canal zone to train Salvadoran and Guatemalan soldiers and former Somozist guardsmen, in an effort to stop the inexorable liberation struggle being waged in Central America.

It is no secret, Roberto Veiga added, that Cuba is in focus of the imperialist attacks. The United States has increased its economic blockade and threatens us with both military blockades and a direct military attack, Veiga stressed. The Cuban labor leader recalled the recent U.S. military maneuvers near the Cuban coasts, which included a landing at the Guantanamo naval base, an enclave that the imperialists maintain in Cuban territory against the will of the Cuban people.

Roberto Veiga added: We are attacked, harassed and threatened and useless efforts are made to intimidate us. The imperialists want us to be unarmed and defenseless. The day that we give up the right to fiercely defend ourselves with all available means is the day that we will stop being revolutionaries; and, of course, we will never stop being revolutionaries.

The United States, Roberto Veiga stressed, can never divert Cuba from the course it has taken. Its ideology can never penetrate us. Its actions can never destabilize us and its power will never frighten us.

The Sixth CNTP Congress showed the growing unity of the labor movement in Panama and its militant solidarity with the workers and peoples of the rest of the nations of our America, which are victims of the exploitation, attacks and threats of the U.S. imperialists. The congress in Panama City also served as a forum for a denunciation of the shameless U.S. position in support of the British attack against Argentina, a policy that once again demonstrates that the U.S. imperialists are the real enemies of all Latin American peoples.

CSO: 3010/1580

## BRIEFS

MPSP SPONSORS PALESTINE SOLIDARITY CEREMONY--The actions of Zionism and imperialism against the Arab countries were condemned during a ceremony of solidarity with Palestine held in Havana. The ceremony was sponsored by the Cuban Movement for Peace and Sovereignty of Peoples [MPSP]. Severo Aguirre Del Cristo, member of the Communist Party of Cuba [PCC] Central Committee and the Council of State, and president of the MPSP, presided over the ceremony. Following the reading of a communique repudiating Zionist aggressions, the PLO representative in Cuba, (Imad Hadaf), lectured on the situation his people are experiencing in the face of Israel's hostile attitude. Eloy Valdes, second chief of the General Department of Foreign Relations of the PCC Central Committee; other members of the Secretariat and the MPSP, and representatives of leftwing parties and liberation movements attended the ceremony. [Text] [FL151813 Havana Domestic Television Service in Spanish 1700 GMT 15 May 82]

ESPIN RE-ELECTION--Vilma Espin, alternate member of the Politburo and president of the Cuban Federation of Women, has been re-elected by the UN Economic and Social Council to a 3-year term as member of the advisory board of the Women's International Research and Training Institute [Instituto Internacional de Investigacion y Capacitacion de la Mujer], which has its headquarters in the Dominican Republic. [Excerpt] [FL211650 Havana Domestic Service in Spanish 1400 GMT 21 May 82]

UNCTAD'S COREA IN HAVANA--Mr Gamani Corea, secretary general of the UNCTAD, arrived today in our country. At the Jose Marti International Airport the distinguished visitor was met by Cuban Foreign Trade Minister Ricardo Cabrizas and Cuban Ambassador to the UN offices in Geneva Luis Sola. Mr Corea has come to Cuba to exchange views on the situation of the world economy and topics to be taken up at the next conference of the UNCTAD, which will be held in 1983. [Text] [FL171834 Havana Domestic Television Service in Spanish 1700 GMT 17 May 82]

CASTRO-L.A. ECONOMISTS--Commander in Chief Fidel Castro, president of the Councils of State and Ministers, met yesterday at noon with Dr (Raul Fredich), a renowned Latin American economist, founder of the Economic Commission for Latin America and a high official of the United Nations organization. Dr (Fredich) is visiting our country at the invitation of Cuba's National Association of Economists to participate in the ceremonies commemorating the 60th anniversary of (Juan Noyola), a distinguished Mexican economist

who, after joining the Cuban revolutionary process, was killed in the Lima accident after attending the Fao regional conference in Rio de Janeiro as a member of the Cuban delegation. During the meeting between the Cuban president and the Latin American economist, the two leaders conducted an extensive exchange of ideas on the serious problems of the world economy and the economic situation in Latin America. The meeting was attended by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers. [Text] [FL171523 Havana Domestic Service in Spanish 1400 GMT 17 May 82]

DELEGATION IN DUBLIN--The Cuban delegation which attended Ireland's Communist Party Congress, headed by Raul Valdes Vivo, member of Cuba's Communist Party Central Committee, has held several meetings in Dublin with invited delegations, among them those of the communist parties of the Soviet Union and Great Britain and representatives of women's organizations who wanted to learn about Cuba's family code. [Text] [FL181156 Havana Domestic Service in Spanish 1100 GMT 18 May 82]

BRAVO MEETS GDR'S GOETTING--Flavio Bravo, president of the People's Government National Assembly, has recieved Gerald Goetting, deputy president of the GDR's People's Chamber and deputy chairman of the Council of State, who is paying an official visit to Cuba. The Cuban leader expressed satisfaction for his stay in Cuba. A fraternal exchange of views on various aspects of the work of the two governments' bodies was held by the two sides. The GDR delegation is also formed by Wolfgang Roesser, member of the People's Chamber Presidium and secretary of the Executive Committee of Germany's National Democratic Party, and Deputy Lothar Burkhardt, member of the Industry, Construction and Transport Committee. Other members of the delegation accompanying Goetting are (Nerbert Sonrotter), chief of department in the People's Chamber Secretariat, and (Rudolf Babelsinch), a deputy and professor of the Higher Institute of Agriculture. Participating in the meeting for the Cuban side were Jose Aranaburu, secretary of the National Assembly, Ramiro Del Rio, Marta Lugioyo and Luis Mendez Morejon, chief of department in the National Assembly, as well as other officials. Goetting, who is also chairman of the Christian Democratic Union and president of the GDR's League for Friendship Among Peoples, arrived last night in our capital and will hold talks with Cuban leaders in various spheres. [Text] [FL201721 Havana Domestic Service in Spanish 1600 GMT 20 May 82]

DELEGATION VISITS ISLE OF YOUTH--First Major Honorio Chantre Fortes, member of the Political Committee of the African Party for the Independence of Cape Verde and minister of national defense, has paid a visit to the Isle of Youth, leading a high level military delegation. Accompanied by Brig Gen (Sergio Perez Lezcano), the delegation visited the old Modelo prison, now a museum, where the raiders of the Moncada barracks were imprisoned, the cell where Fidel was held and cell block four which was used to hold the political prisoners of that era. At the Nueva Gerona Friendship House, Chantre and his delegation received a detailed briefing on the main economic and social plans currently underway in the special municipality. The high level military delegation was received at the air terminal by Rolando Blanco, second secretary of the party's Municipal Committee, Jorge Antelo, chairman of the [provincial] Assembly of the People's Government; and Brig Gen (Gustavo Verdecia), chief of the Isle of Youth military region. [Text] [FL201300 Havana Domestic Service in Spanish 1045 GMT 20 May 82]

SECOND MEDICAL DETACHMENT--Eleventh grade students evaluated within their group who have a grade point average of 90 or higher and are willing to serve the revolution wherever needed, may join the Second Carlos J. Finlay Medical Detachment. The foregoing information has been released at a meeting presided over by Sergio Del Valle, member of the Politburo and minister of public health; Fernando Vecino Alegret, minister of higher education; and Adolfo Valdivia, secretary general of the National Health Workers Union; all members of the Central Committee. It was announced at the meeting held in Havana that the procedure to be followed will be similar to that of the First Carlos J. Finlay Medical Detachment except that students will be selected one grade earlier in order to have more time to work with them. [Text] [FL192000 Havana Domestic Service in Spanish 1100 GMT 19 May 82]

MPSP MESSAGE TO VIETNAM--Severo Aguirre Del Cristo, president of the Movement for Peace and Sovereignty of Peoples [MPSP] has sent a message to the Vietnamese Committee for Peace on the occasion of the 92d anniversary of Ho Chi Minh's birthday. In his note Aguirre Del Cristo described Ho Chi Minh as the unforgettable leader of the Vietnamese people and of the liberation struggles of all peoples, and reiterated the solidarity of the MPSP with Vietnam's struggle against the Chinese hegemonists. [FL192230 Havana Domestic Service in Spanish 2130 GMT 19 May 82]

USSR PURCHASES OF ARGENTINE GRAIN--News dispatches from Montevideo, Uruguay, indicate that some 60 ships are waiting in Uruguayan waters for the solution of the British-Argentine conflict over possession of the Malvinas before they continue to the Buenos Aires piers, where they are supposed to pick up Argentine grain for the USSR. The dispatches also say that these ships decided to remain in the canal that gives access to Rio de La Plata in Argentina when Lloyds of London cancelled the insurance of ships navigating in Argentine jurisdictional waters. Western news agencies recently reported that the USSR had terminated its grains purchases from Argentina, but we have just explained what really happened. Yesterday, David Lacrosse, Argentine agriculture under secretary, told newsmen in Buenos Aires that he will be going to Moscow soon to negotiate new grain sales. He also assured them that Argentine-USSR commercial relations are not going to be interrupted because of the Malvinas crisis. [Text] [PA210305 Havana International Service in Spanish 0000 GMT 20 May 82]

ORAMAS IN ALGERIA--Algerian Foreign Minister Ahmed Taleb Ibrahimi met today with Cuba's Deputy Foreign Minister Oscar Oramas who ended a 2-day visit to Algeria. They met in a friendly atmosphere and discussed the Nonaligned Movement Coordinating Bureau's preparations for the minister's meeting scheduled for 31 May in Havana. Taleb Ibrahimi and Oramas also discussed the international situation and the development of Cuban-Algerian bilateral relations. [Text] [FL201916 Havana Domestic Television Service in Spanish 1700 GMT 20 May 82]

GDR OFFICIALS TO HAVANA--Gerald Goetting, deputy president of the GDR's People's Chamber and deputy chairman of the Council of State, arrived yesterday in this capital at the invitation of the People's Government National Assembly. Also arriving last night was GDR's Vice Foreign Minister



Bernhard Neugebauer, who is accompanied by (Harald Kehr), deputy chief of the GDR's Foreign Ministry Latin America Directorate. [Text] [FL201229 Havana Domestic Service in Spanish 1000 GMT 20 May 82]

LAGE ADDRESSES KOMSOMOL CONGRESS--The close friendship which comes from sharing battle trenches with the heroic Soviet people is not for sale, Union of Young Communists [UJC] First Secretary Carlos Lage today said in Moscow. During his speech to the 19th Komsomol Congress, Lage said that in view of the new imperialist threats and aggressions to which Cuba is being subject, the youth and the Cuban people in general, will revive the heroic struggle of Leningrad, if there is to be a blockade. He added: Should there be direct aggression we will fight as the defenders of Brest, to the last bullet and the last breath, to keep socialist and communist ideals alive, pure and unblemished. The first secretary of the UJC was repeatedly interrupted by the strong applause of the 5,000 delegates and guests from 140 foreign organizations. [Text] [FL200145 Havana Domestic Television Service in Spanish 0000 GMT 20 May 82]

MACHEL VISIT--Marshal Samora Moises Machel, president of the Mozambique Liberation Front--FRELIMO--and of the People's Republic of Mozambique, yesterday arrived in Santiago de Cuba together with Army Gen Raul Castro Ruz, second secretary of Cuba's Communist Party Central Committee, and Jorge Risquet Valdes, Politburo member. Samora Machel paid his visit to the birthplace of the revolution on his way to Grenada and during this visit he was escorted by Jose Ramon Balaguer Cabrera, Central Committee member and first party secretary in Santiago de Cuba Province. The Mozambican leader will soon return to our country at the invitation of Commander in Chief Fidel Castro Ruz, first secretary of Cuba's Communist Party Central Committee and president of the Councils of State and Ministers. [Text] [FL221300 Havana Domestic Service in Spanish 1100 GMT 22 May 82]

UJC-OJM AGREEMENT--Carlos Lage, first secretary of the Union of Young Communists (UJC), and Sacarias Kupela, secretary general of the Organization of Mozambican Youth (OJM), have signed a Friendship and Cooperation Protocol for 1982-85, based on the mutual desire to strengthen the existing fraternal relations between the two organizations. The protocol reflects the UJC and OJM decision to contribute actively to the consolidation of the international revolutionary, progressive and democratic movement, inspired by the struggle against imperialism, colonialism, neocolonialism, zionism, racism, apartheid and reaction. During the week following the closing of the Fourth UJC Congress, cooperation agreements were signed with the youth organizations of the People's Republic of Angola, People's Republic of the Congo, People's Democratic Republic of Yemen and Mongolia; and the existing agreement with the Republic of Iraq's youth organization was extended. The will to join efforts in the struggle against imperialism and for peace and social progress was reaffirmed in all these agreements. [Havana JUVENTUD REBELDE in Spanish 12 Apr 82 p 2] 9925

CSO: 3010/1507

## HAITIAN REFUGEES CREATE PROBLEMS IN FRENCH GUIANA

Paris LE MONDE in French 4 May 82 p 6

[Article by Philippe Boggio]

[Text] The phenomenon has not reached the proportions of the migratory movement to the Florida coast, but it is no longer just a trickle. Several thousand Haitian refugees reach French Guiana every year in the hope of finding a job. They are said to total 20,000 at present--some say 25,000--and in many cases they entered illegally. French Guiana's 65,000 inhabitants are worried about the arrival of a steadily increasing number of immigrants.

During the cantonal election campaign, all the political parties--whether on the left or the right and whether supporting departmental status or independence--denounced a situation which is poorly controlled by the government and which is already altering French Guiana's social landscape.

Cayenne--Their lack of understanding is puzzling. What equinoctial fever could be disturbing the French Guiana temperament in this way? What is wrong with those former immigrants--those "mixed-bloods," Amazon Indians, descendants of maroons,\* and sons of convicts, Chinese, Martinique Creoles, Syrian-Lebanese, Indonesians, or metropolitan French--who make up the most heterogeneous of the overseas departments, that they should be trying to close the doors of their old Eldorado to new arrivals?

In many cases, they are scarcely assimilated themselves before they start cursing the foreigner. One young woman, for example--whose husband is a merchant from France--complains that in the evenings she has to slow down on the road to Montjoly, Cayenne's seaside suburb, to avoid running over Haitians who suddenly appear in the beam cast by her headlights. Those Haitians walk from

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\* The maroons are descendants of the African blacks who escaped slavery in the Caribbean. Two tribes--the Boni and the Bosch--that took refuge in the forest now live partly in French territory along the Maroni River.

10 to 15 kilometers, alone or in clusters, before collapsing on straw mattresses in huts rented at the price of a low-cost housing unit in France. They walk because the capital seems never to have heard of buses. "Look at them," she says, "They get as confused as chickens." The "chickens," backs bowed and steps uncertain, follow the ditch in a manner characteristic of game that has not outdistanced the hunter. "Poor Haitis." Like many Creoles, the lady at the wheel has shortened their name, distinctly pronouncing the three syllables--"Ha-i-ti"--in a tone of irony mixed with pity and vague contempt.

Over 20,000

For years their awkwardness was a delightful topic of conversation during the cocktail hour in shady arbors. Comments were made on the apathy and slowness of the first immigrants, who arrived in 1979, and on their ignorance when it came to the simplest tasks. People got into the habit of hiring them by the day for gardening or painting jobs, with no illusions as to their competence but assured of their faithfulness. The French Guianese revived the lifestyle of their parents, who had been accustomed to the benefits of cheap domestic help provided by the penal colony.

In recent months, however, the mood has changed. Criticism of the Haitians has hardened. It is said that there are too many of them. How many? No one knows. Official statistics, which are 2 years old, show 8,000 entries but do not include the thousands of illegal immigrants. The most impartial observers set the number at 20,000 or even 25,000. In any case, one hears it said that "the threshold of tolerance was passed long ago." A municipal employee in Cayenne said: "You must realize that they now account for one-third of our population!"

That makes 20,000 foreigners for a population of 65,000 French Guianese in an underpopulated country as large as 10 French departments. The figure would be ridiculous were it not for the fact that the Haitians, like most of the French Guianese, crowd into "Cayenne Island," a ghetto of civilization jammed between the sea and the forest, if the foreigners did not continue month after month to enlarge the highly conspicuous shantytowns of Remire, a rural suburb in the grip of speculation, and if they were not stationed in front of every "Chinese place" (a combination grocery store, bar, and tobacco shop) from 0600 hours on to beg, in groups of from 20 to 50, for alms in the form of daywork.

The Haitians are blamed for all of French Guiana's troubles--all its new troubles, of course: delinquency, venereal disease, and unemployment. They imported "boulette," an illegal lottery based on dreams\* that is giving the French Guianese a frenzied taste for gambling or illegal investment. None of the political parties--from the PSG (Guianese Socialist Party) to the RPR [Rally for

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\* Sold clandestinely in Cayenne is a "little red book" that assigns a number to your dream of the night before. For a long time the entries were sent to Peru, where the clandestine office for "boulette" was located. The results were then broadcast by a number of Amazon radio stations. It seems, however, that an office has been operating in Cayenne for the past few months, supported by funds of French Guiana origin.

the Republic]--hesitated to denounce their growing and turbulent presence during the recent cantonal election campaign and to revive the same criticism of the "colonialist invasion" that they had used in 1977 when the Muong refugees were arriving. This time the danger was said to be greater. Paulin Brune, departmental chairman of the RPR, explained: "It was our duty to welcome the Muong. It was a humanitarian act with worldwide dimensions. The Haitian problem is simply one of domestic politics--of national difficulties with a dictator."

#### Slow Trip

But the Haitian exodus probably deserves to be put in the humanitarian category. What a slow trip! Since France began requiring that foreigners have a return ticket on their arrival at Rochambeau Airport, prospective immigrants have avoided regular air flights from the Caribbean. They often find work in the sugarcane harvests in Dominica and the Dominican Republic and then look for a freighter with an accommodating hold that is bound for Trinidad or Venezuela. Coastal shipping then takes them to Suriname, which must be carefully skirted as far as Albina, the border town on the Maroni River. Then they must entrust their lives to Bosch pirogue boatmen, who deliver them to the Chinese quarter in Saint-Laurent-du-Maroni, a minute port area with wooden houses that has become the major clearing station for immigrants--Colombians, Surinamers, St. Lucians, and Guyanese--who come here with their last hopes. They still have 250 kilometers of road ahead of them--often paying taxi drivers over 1,000 francs to travel that distance--before arriving in "Cayenne-Babel," another French land of asylum and a Mecca with wages five times higher than those paid in Port-au-Prince. One Creole merchant remarked: "They are paid only a third of the SMIC [Interoccupational Minimum Growth Wage] in effect in French Guiana. That explains our interest in them."

That interest is noted very quickly by every foreigner who arrives here. A rich enclave in the middle of the Amazonian Third World, French Guiana produces and sells too expensively in comparison with its neighbors. The wages it pays to Frenchmen condemns it to economic immobilism and to ever-increasing dependence on the home country.

It therefore attracts all the clandestine immigrants who are satisfied with illegal employment, and it discreetly ignores its own social laws. The well-off families in Cayenne are not the only employers of Haitians. Service companies with unbeatable rates have been sprouting like mushrooms in recent months. There was even one firm, employing Haitians with neither residence permits nor work cards, that painted the central police station. One government official admitted: "It is illegal, of course. But France is so obsessed with development for French Guiana that it overlooks many things." There is also the fact that Haitians do the jobs that no French Guianese wants to accept.

#### From One Rejection to Another

So why the grumbling, the threats of expulsion, and the racism that is becoming less and less softened with Creole irony? One native of France who has lived in Cayenne for 20 years responds: "It is true that this migratory phenomenon

represents a real danger because of the number of people involved, but be careful not to attach too much importance to complaints by the French Guianese. Their own situation is still precarious, and in fact, their complaining conceals their own fear of not being able to put down roots." According to our interlocutor, the French Guianese, being former immigrants themselves and still awaiting assimilation in an undeveloped country, are afraid of being outdone by those to whom hunger has given wings. This country, with its incredible racial mixture, instinctively closes in on itself whenever blood that is too new comes knocking at the edge of the forest.

Twice in recent years, French Guiana has shown the same fleeting signs of an attack of intolerance. In 1977 it concerned the Muong (although now, 5 years later, it is the latest rage to have Sunday dinner at the restaurants in Cacao, the Muong village). And in 1974 especially, when there was a big outburst of anger against Brazilians who were landing in flat-bottomed boats known as "tapouyes" on the French bank of the Oyapock River.

When their number reached 6,000, the French Guiana authorities demanded that Brazil come get its exiled sons. That was the depressing Rebraca operation: Brazilian officials sent by authorities in the Brazilian states of Amapa and Para (in the north) spoke on Radio Station FR3 to promise land along the Trans-Amazon Highway to the immigrants and "honest work" to the prostitutes and induced their nationals to reembark on a boat chartered for the purpose.

But the French neighbor's attraction is too strong. More Brazilians came, and this time they received a better welcome, the explanation being that "they are excellent carpenters and remarkably expert in livestock raising"--better, at any rate, than the French Guianese, who resolutely refuse to give up their lack of interest in work on the land or in the forest. And "especially," it is insisted, because they spend their money locally, "whereas the Haitians deprive themselves of everything to send their wages back to their families." In short, hooray for the Brazilians, who are praised by "merchant Cayenne" and who have abruptly moved up a notch on the racial and social scale. Hooray for the prostitutes from Belem, who, as one staff sergeant in the Foreign Legion puts it, are "more attractive, in any case, than the Dominicans or the Haitians." Too bad, then, for the "Haitis."

#### Generosity

If the latest wave of rejection is to recede in its turn, however, more will be required than a new generation of immigrants to be blamed for all of French Guiana's troubles. The first requirement is social regulations that will guarantee the status of the immigrants and not further disturb the employment situation, which is already precarious (with a 25-percent rate of unemployment). After the elections of 10 May 1981, the official attitude toward the Haitians changed from one of repression and obsession with general expulsion to one of generous but thoughtless liberalism. In 1980, the preceding administration had extended the 1945 decree on foreigners to French Guiana, giving it the right to intervene on the slightest grounds in cases of an irregular situation or when disturbance of the peace was involved.

The Haitians who had been taken back to the banks of the Maroni River have returned, although the decree of 1980 has not been replaced by a new set of regulations. At the request of local elected representatives, the operation for regularizing the situation of workers "without papers" has not been implemented in French Guiana. During a visit to Cayenne last fall, Henri Emmanuelli, secretary of state to the minister of interior responsible for overseas departments and territories, promised to fill that gap in regulations. With their fits of bad humor, the French Guianese are reminding him of his promise.

11798

CSO: 3100/618

## BRIEFS

MINING, ENERGY SECRETARY APPOINTED--Sigfrido Alejandro Contreras Bonilla, a petroleum engineer, replaced Col Jorge Luis Monzon Suarez today as secretary of mining, hydrocarbons and nuclear energy. Contreras Bonilla was the head of the Petroleum Department. Manuel de Jesus Giron Sanchez, secretary general of the government junta, swore Contreras Bonilla in at noon today. This change surprised government circles, because it was thought that Monzon Suarez had been confirmed in his post by the triumvirate. Monzon Suarez expressed appreciation for the cooperation he received during his almost 7 years in office and said that he would return to his military duties in the air force. [Text] [PA202255 Guatemala City Trecevision in Spanish 0230 GMT 19 May 82]

PEASANT URGED TO PRESENT CHARGES--General Maldonado Schaad has expressed regrets about the occupation of the Brazilian Embassy by some members of the Committee of Peasant Unity, CUC. Instead of going to the Brazilian Embassy, I wish the ladies and gentlemen of the CUC had spoken with us and had presented their complaints, the official said. He added that if they had wanted to present charges against the army, they could also have gone to the military authorities without the fear that existed in the past. The member of the military government junta said that the military is not here to scourge the peasants and that the peasants should not be afraid, as they were in the past, to present their charges. He said that some authorities with some military training commit abuses and there is some neglect but that these faults can be corrected. He told journalists of the plans to reorganize the villages that have experienced violence. The plans respond to an effort to provide the people with all the necessary services through the army's civic action program and to help them increase their agricultural production. [Text] [PA191337 Guatemala City Cadena De Emisoras Unidas in Spanish 0050 GMT 19 May 82]

CSO: 3010/1584

## MEETING WITH NICARAGUA LAUDED; JOURNALISTS CHASTISED

PA192235 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 19 May 82

[Station commentary read by (Rodrigo Wong Arevalo)]

[Excerpts] A meeting of Nicaraguan and Honduran senior military officers has been scheduled for Thursday at the La Fraternidad border post, in an effort to ease tensions that are creating considerable anguish, particularly in the border area. The meeting, which was arranged some time ago, might have been affected by the reckless statements made by Sandinist Commander Daniel Ortega Saavedra, who indicated over the weekend that the Sandinists would not attend. The meeting raises hopes that the talks between the two nations' military officers will help to formalize the peace that is so necessary to Honduras and Nicaragua, so that we may continue our daily lives and tackle our internal problems.

It seems to us that the Nicaraguan Government is beginning to realize that the Honduran peace efforts are sincere. This was tacitly recognized by Nicaraguan junta member Rafael Cordova Rivas when he signed the declaration issued by the presidents in San Jose, Costa Rica, which specifically concurred with points in the Honduran peace proposal. Now, after disavowing the statements made by a Sandinist leader who is apparently interested in maintaining the climate of cold war with our country, Nicaragua has decided to keep the appointment and will be in La Fraternidad tomorrow. We are glad of this, for it responds to the Honduran quest for peace.

Recently, a group of U.S. and Mexican newsmen who came to Honduras to get information for U.S. and Mexican periodicals and broadcast media told us that misinformation is circulated in their countries in regard to the latest events in Honduras, particularly regarding the friction with Nicaragua. They said that reports that are sent from Honduras itself can actually be described as showing bias in favor of Nicaragua. We thought that this might be possible in the case of a state-run agency such as Cuba's Prensa Latina. However, it is inconceivable that Western news agencies would contribute--we do not know for what purpose--to misinformation and to the dissemination of reports that are intended to destabilize our country and that side with Nicaragua.



We know that these news agencies have correspondents in each country and that the majority of these correspondents are native journalists. Rarely do the news agencies send specialists to cover events. Therefore, with the knowledge that the majority of the international news agencies' correspondents in Honduras are Hondurans, who must feel something for their homeland, it is inconceivable to us that a Honduran correspondent would distort events to the detriment of our country, thereby failing in his ethical responsibility as a journalist and in his duty as a Honduran citizen.

Honduran journalists are dutybound, above all else, to serve their fatherland whenever the need arises. It is not an issue of extravagant jingoisms or of the expression of blind chauvinism. All we ask is that reportage be realistic. At this moment, the Honduran initiative enjoys acceptance and unlimited support from all governments on the continent, as was demonstrated by the recent San Jose declaration.

The Honduran peace proposal has been well received in Latin America. Therefore, it is only proper that the Honduran people support an initiative that has put us in a position of international leadership for the first time.

CSO: 3010/1585

## INVITATION TO NICARAGUA FOR MEETING EXPLAINED

PA201447 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 20 May 82

[Text] Deputy Foreign Affairs Minister Rodolfo Rosales Abella reiterated yesterday that the meeting of Honduran and Nicaraguan military officers to be held today results from the present government's initiative to internationalize peace.

The official added that the contradictory statements made by one of the Sandinist commanders arose from the ambiguity in the wording of the communiques issued by the Nicaraguan Government.

Rosales Abella reiterated that the meeting of Honduran and Nicaraguan military officers to be held today at 0900 on Honduran soil results from the present government's efforts to internationalize peace. He said that the invitation made by Honduras was not intended [concebida] for top level officials and that it is not related to the Guasuale agreements, because it resulted from President Roberto Suazo Cordova's initiative.

He added that the statements and communiques issued by Nicaraguan authorities were ambiguous because sometimes they referred to a meeting of high military commands or of senior military officers, and sometimes mentioned a meeting of high-ranking authorities, whereas Honduras always spoke of a military meeting.

The deputy foreign minister reiterated that the confusion in terminology led the Nicaraguan Government to recently say that the Guasaule agreements were being violated. Rosales Abella said that the Sandinist authorities were wrong about this.

The Hondurans who will participate in today's meeting are: Col Jose Bueso Rosa, chief of general staff; Col Daniel Bali Castillo, commander of the public security forces; Col Ruben Humberto Montoya, navy commander; Col Rigoberto Regalado Hernandez, armed forces inspector general; Col Wilfredo Sanchez, commander of the 5th infantry battalion, and Col Danilo Ferrera Suazo, commander of the 11th infantry battalion.

CSO: 3010/1585

## RELEASED FISHERMEN CLAIM SANDINIST TORTURE

PA210351 Tegucigalpa Voz de Honduras in Spanish 1145 GMT 19 May 82

[Excerpt] Honduran fishermen who were captured over 2 months ago in Honduran jurisdictional waters by Nicaraguan Coastguard launches have returned to Honduras.

The captain of one of the captured vessels revealed that he was tortured by Sandinist militiamen. Similar charges were made by released Miskito youths.

(Daniel Heriberto Echeverria Arreizabala), captain of one of the two Honduran fishing vessels captured by Nicaraguan Coastguard launches, said in Tegucigalpa that Nicaraguan warships are entering Honduran jurisdictional waters. He reported that his vessel was captured around 0200 on 10 April near the Media Luna Cay. He said the capture was made possible by the lack of vigilance by the Honduran Coastguard, as most of his crewmembers were asleep at that time. The captain of the Nicaraguan vessel took advantage of this to board the Honduran boat, hold the crew at gunpoint, take control and take the vessel to the neighboring country.

The Nicaraguans cannot claim to have captured the vessel in Nicaraguan jurisdictional waters, the captain of the Honduran boat said, because after over 2 hours of sailing, we were still in Honduran waters. The captain of the captured vessel pointed this out to his Nicaraguan captor.

The Honduran captain said that during his detention in Nicaraguan prisons, before being transferred with his crew to a hotel, the Sandinists told him that the Sandinist government had been capturing Honduran vessels to obtain prisoners and to exchange them for Nicaraguan citizens in similar circumstances in Honduras.

Capt (Daniel Rosales), another captured sailor, reported that his vessel was captured at 1500 on 13 March, 10 km north of the Gracias a Dios Cay, as he and his crew engaged in their regular shrimp fishing in Honduran waters, which is confirmed by the position of his boat at the time of its seizure.

The young Honduran captain, who was taken with his crew to Puerto Cabezas, claimed that he was tortured by Sandinist militiamen, who used their rifle butts at night to beat him out of his cell, demanding to know the kinds of weapons used by the Honduran Army. After 8 days of such abuse, the sailors were transferred to Managua and taken to the (Palo Alto) prison, where they remained until the day of their release, last Monday.

Similarly, young Miskito fishermen who were captured as they engaged in shrimp fishing in Honduran jurisdictional waters also reported that they had been tortured and verbally abused by the Sandinists, who were eager to learn about the kinds of weapons used by the Honduran Army.

CSO: 3010/1591

COUNTRY SECTION

HONDURAS

BRIEFS

NEW AMBASSADOR TO ENGLAND--The government has appointed (Edgardo Dumas Rodriguez) ambassador to England. According to sources, the London government has already given its place to the Honduran diplomat. [PA181358 Tegucigalpa Voz De Honduras Network in Spanish 1145 GMT 17 May 82]

CSO: 3010/1585

## EXPENDITURES BUDGET FOR 1982-83 PRESENTED TO HOUSE

## Eight-Percent Increase

Kingston THE DAILY GLEANER in English 7 Apr 82 pp 1, 2

[Text] A \$2.8-billion expenditure budget was tabled in the House of Representatives yesterday representing an increase in proposed spending of some 8 per cent over last year.

The Estimates of Expenditure for the 1982-83 financial year were presented to the House by Prime Minister and Minister of Finance, the Rt. Hon. Edward Seaga.

In keeping with tradition, the Estimates were formally referred to the Standing Finance Committee of the whole House for study, prior to the opening of the Budget debate scheduled for April 22.

The Estimates in summary show gross expenditure at a total \$2,796,089,218, comprising Recurrent at \$1,919,345,425 and the Capital amount at \$876,743,793.

The net provision to be voted, however, amounts to a total \$2,771,427.21 (Recurrent, \$1,896,183,423 and Capital \$875,243,793) after appropriations-in-aid (Government receipts and transfers) amounting to \$24,662,002 are deducted from the gross figure.

Largest allocation in the estimates go to the Ministry of Finance and Planning. The amount of \$1,019,603,613 is divided into just over \$613 million in recurrent expenditure and just over \$046 million in capital expenditure.

Next highest allocation is for the Ministry of Education with \$383,229,460, \$358,380,460 on the recurrent side and \$24,849,000 on the capital side.

Third highest is the Ministry of National Security and Justice which it is proposed to allocate \$267,326,651. This is comprised of \$240,684,651 recurrent, and \$26,642,000 capital.

Among the provisions under the Ministry of Finance is the proposed expenditure of \$37 million in subsidy for the Basic Needs Basket, which is \$6.7 million more than the total amount spent last year. This is to subsidize the cost of certain basic commodities and/or services to consumers.

Under the Ministry of Finance also, there is a statutory provision of some \$131.8 million for the repayment of loans, part of the larger provision of \$170.2 million provided to meet the Public Debt.

Altogether, Public Debt charges provided for under the Finance Ministry amount to over \$508-million.

Other allocations proposed include: \$8.9 million for the Population Census; \$42.8 million for infra-structure works in urban development by the Urban Development Corporation; \$18 million for a Special Employment Programme; \$17 million for a rural road programme, this being the first phase of the programme aimed at upgrading rural road systems and to provide employment.

A sum of \$12 million is proposed for a new Human Resources Development Programme, in which the Government is to co-operate with foreign governments and organizations to provide advance training for young people and to prepare the youths for job openings in new enterprises. Skills are to be upgraded in the fields of garment industry, construction and agriculture.

The Jamaica Pre-Investment Programme II which is set up to improve institutional capability to plan the preparation of studies and select and evaluate the resultant projects is allocated \$2.3 million.

One-shore oil and gas exploration which is concerned with petro-chemical exploration programme involving the drilling of four to seven wells has been allocated at \$15.7 million.

The First Rural Development Project is allocated \$16 million, to improve social and physical infrastructures in rural areas. The main components are: re-organization of the Ministry of Agriculture; land reform; and upgrading feeder roads, markets, water supplies and waste disposal systems in rural areas.

A computer services information system for the Revenue Board has been proposed to cost \$1.6 million, and \$66 million is to be made available to the U.D.C. for hotels and commercial debt servicing and deficit financing.

IN EDUCATION, The School Services Division is provided \$4.2 million to meet services of the Teachers Services Commission and the Appeals Tribunal.

Basic Schools are to be granted \$3.4 million; Infant Schools and Infant Departments of Primary Schools \$3.2 million. The grant to Basic Schools involves some 2,350 such schools which will get a subsidy for teacher salary as well as nutrition subsidy for some 63,000 children.

Primary and All-Age Schools are to receive \$107 million. Assistance to handicapped children has been estimated at \$3.1 million, including assistance for the Salvation Army School for the Blind, the Jamaica Association for the Deaf and the Schools of Hope.

Secondary Schools have an estimate of \$59,410,000 to cover 82 such schools with some 105,000 students. This is a \$4 million increase over last year's allocation.

High Schools are estimated to get \$45.5 million, which is seven million dollars over last year's spending of \$38.9 million.

Technical Schools are projected to get \$10.2 million an increase of \$693,855; Comprehensive Schools, \$6.7 million, an increase of \$185,000; trade and vocational schools, \$4 million, plus financial assistance to needy students of \$1 million; Teachers' Colleges, \$17.9 million for eight such colleges.

In addition, \$834,000 have been proposed for training Basic School teachers and \$272,000 for scholarships to teachers.

There is a proposal for \$1 million as a token provision towards the setting up of the Agricultural College, which is to replace the Jamaica School of Agriculture.

The College of Arts, Science and Technology is to get \$4.6 million, an increase of \$428,000; Community Colleges, including EXED, Brown's Town, Knox and Montego Bay, are to get \$2.7 million, an increase of \$152,000; and JAMAL is to receive \$8.5 million.

The Government's contribution to the recurrent expenses of the University of the West Indies has been reduced by \$5 million to \$40 million, but there is a proposal for an increase in scholarships and financial assistance to students to the tune of \$2.6 million.

The Schools Feeding Programme is to get \$2.2 million, Nutrition Products Limited \$3.8 million, and an allocation of \$4.1 million proposed to furnish all school children from grades one to six with material for one uniform.

A total of \$10.5 million has been proposed for the construction and completion of eight Primary Schools and to repair and refurbish others.

FOR THE MINISTRY OF National Security and Justice, the Government has proposed a spending of \$10 million to build and improve police stations across the island, and \$2.6 million for vehicles and tele-communications and laboratory equipment.

The Jamaica Defence Force is to get \$8 million for replacement of vehicles. There is also a proposal for \$1.8 million for construction and improvements to courthouses.

Proposals under Health are: \$18.5 million for operating the Island Medical Stores, \$9.4 million for the South-East Area Health Administration, which includes Kingston, St. Andrew and St. Thomas, as well as other proposed allocations for similar administrations in Portland, St. Mary, St. Ann, Manchester, Clarendon and St. Catherine.



Other provisions under Health are \$23.2 million proposed for the Kingston region, an increase of \$6.6 million; and \$2.7 million for St. Thomas, Princess Margaret and Isaac Barrant Hospitals; Montego Bay \$17.7 million, increased by \$4.6 million; Savanna-la-Mar, \$6.7 million, a \$1.2 million increase; and Spanish Town \$11.1 million, a \$1.2 million increase.

In Tourism, there is an increase in the proposals for the allotment for promotions from \$1 million to \$1.2 million, and a grant to Jamaica Vacations Limited of \$6 million, an increase over last year of \$1.5 million, as well as a \$5.2 million increase in the grant to the Jamaica Tourist Board to \$22.8 million.

IN AGRICULTURE, on the capital side, it is proposed to spend \$5 million for Banana Leaf Spot Control, \$3.5 million for Coffee Borer Control, \$3.5 million for acquisition of land for banana production, \$4.5 million as subsidy for food crop production, \$4.3 million for small farmer loans, \$4 million for skills training, \$3.4 million for temporary agricultural aides, \$7 million for agricultural research.

There is also \$14 million for the Second Integrated Rural Development Project, which is to improve the standard of living of hillside farmers; \$3 million for water tank building in dry areas, \$6 million for construction of rural markets, \$7.5 million for rural farm credit and \$2 million for construction of micro-dams.

#### Departmental Breakdown

Kingston THE DAILY GLEANER in English 7 Apr 82 p 1

[Text] The Budget at a Glance

Department/Portfolios	Recurrent	Capital	Totals
Governor-General	\$ 405,492	-----	
Parliament	5,891,698	-----	
Ombudsman	445,313	-----	
Audit	2,135,655	-----	
Services Commissions	2,120,396		
Prime Minister's Office	13,090,776	\$ 4,844,000	\$ 17,934,776
Agriculture	50,798,830	127,360,300	178,159,130
Foreign Affairs and Trade	24,117,920	4,000,000	28,117,920
Finance and Planning	613,032,554	406,571,059	1,019,603,613
Labour and Public Service	70,640,705	5,300,000	75,940,705
Mining and Energy	5,345,783	13,131,300	18,477,083
Industry and Commerce	12,160,080	9,670,000	21,830,080
Public Utilities and Transport	45,316,744	54,015,000	99,331,744
Construction	42,617,617	97,551,900	140,169,517
Education	358,380,460	24,849,000	383,229,460
Youth and Community Development	42,780,206	17,176,134	59,956,340
Health	191,575,925	23,643,000	215,218,925
Social Security	19,900,000	800,000	20,700,000
National Security and Justice	240,684,651	26,642,000	267,326,651
Local Government	169,737,750	26,190,100	195,927,850
Tourism	8,166,870	35,000,000	43,166,870
<b>TOTALS</b>	<b>\$1,919,345,425</b>	<b>\$876,743,793</b>	<b>\$2,796,089,218</b>

## Highlights of Throne Speech

Kingston THE DAILY GLEANER in English 7 Apr 82 p 1

[Text] Setting out its policies and programmes for 1982/83, the Government said yesterday that its mission for this year must be to capitalise on the beginning made and to increase the momentum for social and economic progress.

This was the keynote of the Throne Speech read by the Governor-General, Sir Florizel Glasspole, at the State Opening of Parliament.

Addressing the joint session of the Senate and the House of Representatives in Gordon House, Sir Florizel said the Government pledged itself to the continuation of the policies and programmes which have produced results, and invited the people of Jamaica to continue to support the programmes for economic recovery.

As a basic ingredient of the programme, Government's policy is "that the public utilities must be restored to effective operation as quickly as possible, so as to ensure a smooth functioning economy and stable society".

These enterprises must, however, attain financial viability and provide a reliable service to the community at the least possible cost.

"The Government, therefore, has decided that, as a matter of policy, Central Government support will not be provided for the Current operations of public enterprises and will be limited to financial inputs for capital expansion programmes and equity where necessary and consistent with national priorities."

As part of this strategy, the Government has decided that urban transportation "should be totally reorganised on the basis of private-sector operations", and the existing system within which minibuses supply commuter needs will be properly organised.

This was the first official statement that the Jamaica Omnibus Services will be reorganised as a private sector operation.

OTHER OBJECTIVES of the Government were set out in the Throne Speech as follows:

--A Real Estate Regulatory Bill, the revision of the Building Code, and an evaluation of the system procedures for appraisal of housing development proposals.

--Two Government/private sector joint ventures to produce 2,000 houses this year, as well as amendment of the Rent Law to give effect to the Government's policy to achieve equitable rental practices.

--Discussion of the continuation of sales of bauxite to the U.S. Government to provide foreign exchange to maintain import requirements.

--A new programme of energy auditing, to identify energy waste, and the replacement of inefficient equipment.

--An immediate programme of introducing slow-speed diesel units at the Jamaica Public Service Company for an additional supply of 40 megawatts.

--The National Water Commission to take over the management of water supplies in most of the major towns in rural Jamaica.

--A decisive reorganisation programme to be implemented at Air Jamaica.

--A programme for new Primary Schools, to provide over a period of years 50 new buildings to replace existing ones; as well as the upgrading of Technical Education at C.A.S.T., and improving youth development facilities in rural communities with World Bank assistance.

--A project to improve health centres as well as to improve the management and delivery of community health care.

--Reorganisation and computerization of the system of purchasing, storage and distribution of drugs.

--"Significant expansion" of the craft-training programme for young people, through the extended Community Centers Programme.

CSO: 3025/279

## JOINT LOCAL, FOREIGN BUSINESS VENTURES ANNOUNCED

Kingston THE DAILY GLEANER in English 12 Apr 82 p 1

[Text]

**ANOTHER FOUR PROJECTS**, three of which are in agro-business, are to be undertaken in joint ventures between local and foreign businessmen. The projects, arranged through the Overseas Private Investment Corporation (OPIC) and the Jamaica National Investment Promotion (J.N.I.P.), represent some U.S.\$1.4 million in investment.

This was announced at a press briefing at the New Kingston Hotel on Thursday by Mr. Craig Nalen, President of O.P.I.C.

**THE JOINT VENTURES** involve a direct loan commitment to Jamaica Pre-Mix Ltd. for the expansion of concrete batching facilities, and this represents \$890,000 in investment. Mr. Fuller Duncan, who signed on behalf of the company, said that the loan would go towards purchasing equipment.

The three other projects are in agro-business and represent another direct loan to Jamaica Broilers for modernisation and expansion of facilities. The O.P.I.C. loan is for \$750,000, and is the second part of a scheme started in November last year.

Dr. David Wildish, Managing Director, who spoke on behalf of the company, said the first batch of day-

old chicks purchased under the scheme would arrive in the island on April 13, while the second part of the loan would go towards expanding blast-freezing facilities and cold-room storage for the processing plant expansion required for other agri-products which the company intends to go into.

**THE FINAL TWO PROJECTS** are mainly for the funding of feasibility studies for two Minnesota, U.S.A.-based companies. Land of Lakes, the second largest agricultural company in the U.S., whose representative, Mr. James Williams, signed the agreement, will be looking at the establishment of a \$6-million feed-mill in association with the Jamaica Livestock Association.

A grant of \$43,000 goes to Rural Venture Ltd. which manages and plans programmes for the development of human and economic resources in agriculture. The Hon. Carlton Alexander, O.J. spoke on behalf of the company, and expressed appreciation of the work done by J.N.I.P. on the project.

Speaking at the press briefing, J.N.I.P. Managing Director, Mrs. Corinne McLarty, said that the agency had had "a very profitable and useful relationship" with O.P.I.C. There were a number of other projects apart from these outlined which were about to be developed, she said.

CSO: 3025/279

## SEAGA DESCRIBES ACCOUNT DEFICIT CUT OF \$167 MILLION

Kingston THE DAILY GLEANER in English 27 Apr 82 p 12

[Text] Prime Minister Edward Seaga said Thursday that the Government was able during the course of last year to reduce the Current Account deficit from \$267 million to \$100 million.

Speaking on the matter as he opened the Budget Debate, Mr. Seaga said: "The International Monetary Fund and ourselves had agreed on a target of minus 4.8% of Gross Domestic Product as the deficit for last year's Current Account.

"This meant that the Current Account should have been in deficit \$266.7 million. We were able during the course of the year to reduce that current account deficit from \$267 million to \$100 million.

"I want to pause here to point out that this is what the conflict with the I.M.F. and the last Government was all about. The I.M.F. said to them in January-February of 1980, 'you must cut your Current Account deficit by \$100 million.'

They estimated that in order to do so they would have to dismiss 11,000 people, the entire economy would be in trauma, it would be impossible for them to reduce the Current Account deficit by \$100 million. Hence the decision to withdraw from further negotiations with the I.M.F.

No Trauma

"Mr. Speaker, we didn't just reduce the Current Account deficit by \$100 million, we reduced it by \$167 million dollars. This \$167 million has nothing to do with the extent to which we had to show reduction on the basis of the agreement with the I.M.F. that was already taken care of in the deficit of \$267 million.

"There has been no trauma in the economy; there has been growth. There has been no massive lay-off of people; as a matter of fact the staffing of the public service shows a slight increase. There has been no drastic chaotic measures taken.

"There has been no resort to alternative methods. There has been no resort to all kinds of rhetoric blaming the I.M.F. as the source of all your distress.

We have done it quietly and we have done it diligently and we did it way beyond the expectations of the I.M.F. and of that side (the Opposition)."

He said that the overall deficit had been set at a target of 16.6% of G.D.P. but the overall deficit worked out at 13.6% of G.D.P.

"It can be said therefore that we bettered our own targets and we are well on stream in working towards the target next year of having no deficit at all," the Prime Minister said.

He said that next year should show the position of at least a break-even, to begin the task of returning the Current Account to a surplus position, which it enjoyed up to 1975.

Mr. Seaga said that those who are complaining about the loan programme component should remember that they left nothing for the present Government to work with, and the Government had to create its own situation in order to reduce the reliance on loans by surpluses which could be utilized.

Speaking on the resource gap, he said that in 1981/82 the gap, which is made up by new taxation, was projected at \$39 million and the House was advised that if the outstanding taxes were collected there would be no need for new taxation to fill the gap.

Although the Opposition has laughed at him then and said this could not be done, and that the estimates were over-stated, the \$39 million was not just met, but the revenue collection was increased by over \$100 million.

While the overall resource gap last year stood at \$86.7 million, this year the Budget will be financed with a resource gap of only \$11 million. This meant that no borrowing from the commercial sector was necessary, that all the resources of the commercial banking system can be devoted to financing the productive sector. There will also be no new taxation measures to finance the Budget, the Prime Minister said.

But there would be new taxation measures, to be used otherwise.

#### Tax Collection

On the resource side of financing the Budget, the most significant areas of increases expected this year would be in Property Tax and Stamp Duty. It was also hoped that this year there would be a recovery of collections under the Betting, Gaming and Lotteries Act, motor vehicle licences and Entertainment Tax, all of which fell below or did not fully reach the expectations of the Estimates last year.

Generally, there would be a policy of tighter administration particularly in relation to Excise Duty and the flow of goods across the wharves and airport.

This year, particular attention would be paid to the whole regime of Excise Duty collection. There were things happening which required serious

investigation and, with the establishment of the Revenue Board, there was going to be serious investigation because there could be no justification for Excise Duty not showing corresponding increase as is the case in the other areas of the revenue, he said.

"I want to forewarn anybody who is involved in any form of irregularity in relation to Excise Duty and Customs Duty, that if any investigation finds them guilty, they are not going to just suffer the provisions of the Law which allow for a fine of three times the value of the goods; but in addition, any Duty-free privileges that they enjoy will be withdrawn."

#### Loan Programme

Speaking on the Loan Programme (net of amortization) Mr. Seaga said that in 1980/81 the country borrowed \$861.6 million, in 1981/82 the amount was \$767.3 million and in 1982/83 it was \$853.7 million. The '767 million last year was lower than the estimated figure, therefore the figure projected for this year could finally be much lower.

But even if it remained the same as the estimated figure, it was less than the 1980/81 figure and, therefore, it was not true that this Government was borrowing any substantial increased amounts of funds for purposes of financing the Budget.

The Government was at least holding its place in terms of borrowing and doing it by properly examining the financial estimates to determine what programmes it really wanted to finance.

As the Budget moved to a surplus position, the Government would have greater control over loans to finance the Budget.

In 1981/82 the Budget provided for \$161 million of project loans of which \$118 million was spent; and in 1982/83 it was programmed for \$101.9 million.

Mr. Seaga said that it was intended to strengthen PAMCO, which was the agency responsible for monitoring Government expenditure programmes, in order to ensure that loans that had been approved for projects were properly prepared and implemented, to enable the Government to cut down the amount of funds that are required and to spend the full amount obtained.

The Budget this year is also structured on a basis where the Government had "frozen" the Heads of Estimates that were not financed by external funding (concessional financing), and told the Ministries that if they wanted more money they must prepare projects, because project-financed loans were more concessional than the other funds which have to be borrowed.

Exceptions were Ministries without sources of external financing.

CSO: 3025/279

## MANLEY ON REAGAN REMARKS: 'UNWARRANTED INTERFERENCE'

Kingston THE DAILY GLEANER in English 8 Apr 82 p 1

[Text]

**OPPOSITION LEADER**  
Michael Manley on Tuesday described President Reagan's statements on Jamaica as "a disgraceful and unwarranted interference in the internal affairs of the country and an abuse of the high office of President."

Mr. Manley said the President's statement on March 31 at a press conference in Washington, D.C. that the present administration had wrested Jamaica from a virtually Communist Government was an "abuse of the high office of President for the purpose of disseminating falsehood and cheap political propaganda."

The other statement at the time of the announcement of the Caribbean Basin Plan that the government "was making freedom work," Mr. Manley described as "an unwarranted interference in the internal affairs of the country, obviously calculated to exacerbate the political divisions."

Mr. Manley was speaking at a press conference at his People's National Party Headquarters at Old Hope Road, Kingston. He later left the island

for Miami and New York.

**WITH RESPECT** to yesterday's visit of the President, Mr. Manley said the party was not officially invited to participate in the activities but he and his wife had received invitation "to eat some food at night."

He said the PNP was strongly opposed to the foreign policy of the United States in the Caribbean at this time and found very little that was not "divisive, dangerous, warlike and retrogressive." "We view the visit of President Reagan in that light," he said.

Mr. Manley said the party had refrained from commenting on President Reagan's first statement because it felt it was a product of diplomatic inexperience "and so out of tune with truth and acceptable standards of propriety, that it was a temporary aberration and that a repetition has most unlikely" but the last one confirmed that it was deliberate. Mr. Manley said.

Asked why he thought President Reagan was visiting Jamaica Mr. Manley said he felt there was a feeling of "let down" on the part of the government and



that it was to try to create a sense of geographical balance between Jamaica and Barbados.

Of the PNP's position regarding the visit, the party leader said their protest was about the President's "continuing and really quite disgraceful interference in Jamaica's internal politics."

**ANSWERING QUESTIONS** on the Caribbean Basin Initiative, Mr. Manley said it had two "very serious errors" and those referred to the military component which was unnecessary and bad for the region, and the discrimination against some states. The latter was wrong in principle, he said.

He also pointed to what he termed "very serious structural defect" of the plan in its emphasis on private sector flows to the region. This aspect "misses the really fundamental point

about Caribbean development" that of supporting plans to further the whole process of regional integration.

He said there were two positive aspects, that of the increased aid to the region and the creation of one-way free trade area which would provide export opportunities.

On the recent meeting of Socialist International Mr. Manley said the most important thing that the organisation did was to express very strong support for Mexican President Jose Lopez Portillo's initiative in calling for negotiations between the United States, Cuba and Nicaragua.

He said they also expressed support and solidarity for Nicaragua and Grenada and deplored destabilisation, military pressure and intervention in the region.

CSO: 3025/279

## LABOR MINISTER URGES UNION, MANAGEMENT COOPERATION

Kingston THE DAILY GLEANER in English 24 May 82 p 1

[Text]

**THE MINISTER OF LABOUR** the Hon. J. A. G. Smith, said yesterday, that the Government would not turn a blind eye to either union-busting tactics or to excesses by unions.

Mr. Smith urged both management and unions to increase their efforts to reduce tensions emanating from hostile and autocratic stances on both sides, as he spoke at the first meeting of the Advisory Committee on Labour Legislation at the Ministry.

The Committee, which is made up of representatives from the unions, employers and Government, has been set up to examine the labour laws with particular reference to the Labour Relations and Industrial Disputes Act, and to make recommendations.

**RECENT CASES BROUGHT** to the public's attention might be interpreted as signals that the Government might be willing to turn a "blind eye to union-

busting", he said. He could give the assurance that the Government would turn a blind eye neither to such tactics nor to excesses by the unions.

Attention was now being paid by local and overseas investors to the country's industrial climate, and the Government would "do everything in its power" to assist both unions and management to obtain and maintain a peaceful and harmonious industrial relations climate.

Mr. Smith was critical of employers who took a long time to respond to the Ministry's requests for information. He said one of the factors that affected the speed with which the Ministry could dispose of disputes was the lack of speed with which employers responded to requests for information. There were at least ten cases where employers failed to respond "for more than a reasonable period".

Mr. Smith expressed hope that the Committee's report would be available by the end of June. It was in September 1981 that Mr. Smith disclosed his intention to set up this committee.

CSO: 3025/279

## RAMIREZ ON FALKLANDS, U.S. INTERFERENCE, REBELS

AU191231 Vienna PROFIL No 20 in German 17 May 82 p 7

[Interview with Sergio Ramirez Mercado, member of the junta of the Government of National Reconstruction of Nicaragua, during his stay in Austria "last week" by Otmar Lahodynsky--date and place not specified]

[Text] PROFIL: In the Falkland conflict many Latin American states have sided with Argentina. Do you also support the Argentine rightist junta?

Ramirez: Argentina has certainly a rightful claim to the islands even though it is ruled by a rightist-radical regime. Hence it is more honest to say that the Argentinians are right after all.

PROFIL: Thus, you support Galtieri?

Ramirez: In this case, yes. But this must be viewed in context with the Latin American policy of the United States. The U.S. Government has clearly sided with Great Britain. The United States had planned to use Argentina in Central America not as a mediator but as a dummy for U.S. aggression. The Argentine military advisers in El Salvador and Honduras have all been recalled because of the Falkland conflict. Now an organization of Latin American states is to be established from which the United States will be excluded.

PROFIL: Brazil, Venezuela and Peru have already declared that in the event of a British attack in the Argentine mainland they would directly interfere in the war.

Ramirez: But all arms deliveries to these states depend on the United States. Only Peru is getting arms from the USSR. I do not believe that these states will interfere in an armed conflict.

PROFIL: U.S. reconnaissance planes have published photographs of Soviet war materials in Nicaragua. Where are you getting your arms?

Ramirez: First of all, one must ask from where the United States actually derives the right to overfly our state territory? The photographs showed trucks from the GDR. But such trucks are the most used trucks in Nicaragua;

this has nothing to do with the military. We are buying our arms from several states. Every country has the right to defend itself. Last year we bought three helicopters from a dealer in the United States, but the pilots who were to have taken the helicopters to Nicaragua were put into jail for 6 months. And the \$2 million which we paid for the helicopters were not refunded to us, either. Now we have Soviet helicopters, but also French ones.

We have just concluded contracts with the Soviet Union on the delivery of powerplants and building machines. We also wanted a meeting with the FRG Chancellor Schmidt but were denied permission to see him. From Austria, which has received us in such a friendly manner, we want forestry machines, capital goods, and technical aid.

PROFIL: No weapons?

Ramirez (smiling): No.

PROFIL: Is the danger of an invasion of Nicaragua by U.S. troops or Somoza people over?

Ramirez: By no means: At the border with Honduras, 5,000 Somozists have been deployed.

PROFIL: There have been reports asserting that your regime has killed hundreds of Miskito Indians there?

Ramirez: This was a charge made against us by the United States. We immediately invited the Inter-American Human Rights Organization, which indeed is not admitted to many Latin American states. In its concluding report it has now stated that all these charges are unfounded. The Miskitos belong to the poorest strata in Nicaragua. The Sandinist revolution was a revolution of poor people. Why should we, of all people, kill the poorest of the poor? The Miskitos were resettled in the interior of the country after the Somoza followers in Honduras had appealed to Miskito chieftains to fight against us. Now they are living in new villages where for the first time they are getting electric power and the most important achievements of civilization.

PROFIL: The former Sandinist hero Pastora has recently issued an appeal in Costa Rica for the struggle against your government, charging that the Sandinists had betrayed the revolution and that they were merely bourgeois driving around in fat Mercedes cars.

Ramirez: He also said that we massacred the Miskitos. He is playing in the same orchestra as Reagan. We deliberately broadcast Pastora's speech both on the radio and television so that our people could realize that the former hero of the revolution is now speaking in the same tenor as Reagan.

PROFIL: The Sandinists have been charged with censoring independent papers such as LA PRENSA?

Ramirez: This paper can still be published, as before, although it is clearly pursuing a line direct against our government.

PROFIL: You want to stick to political pluralism. Despite the nationalization, there is still private enterprise in Nicaragua. Why have you fixed the date for the elections only as late as 1985?

Ramirez: Our economy has great problems because of the earthquake, the war and the worldwide crisis. What we have nationalized is primarily former property of the Somoza family. There are large private companies with which we have good relations. Thus 50 percent of our sugar industry is privately owned. We have also abolished export taxes. We do not have good cooperation with the small entrepreneurs, because they are politically influenced by the United States. I do not regard elections in 1985 as belated. The country still does not have any infrastructure for elections. We had to start from scratch. We could have held elections 1 year after our revolution. We would surely have won them. We will also win in 1985 if we hold genuinely free elections. The only problem will be how to uphold pluralism in view of the election outcome....

CSO: 3010/1586

## DEMOCRATIC FORCE REPORTS MILITARY ACTIONS

PA200316 (Clandestine) Radio 15 September in Spanish to Nicaragua 0230 GMT 19 May 82

[Communique issued by the Nicaraguan Democratic Force's Operations Headquarters "somewhere in Nicaragua" on 16 May]

[Text] To the Nicaraguan people: The operations headquarters of the Nicaraguan Democratic Forces, FDN, discharging our duty to keep our people properly informed, reports to the Nicaraguan people that on Friday, 14 May, freedom commandos engaged in fierce clashes with the repressive FSLN forces in different parts of the Nueva Segovia Department. These clashes took place in La Florecida, Juanito and El Paraisito.

The anticommunist commandos and guerrillas, led by Commander Victor, attacked the mangy dog's garrisons in Juanito and El Paraisito, in the mountains of Nueva Segovia, early that morning. Both of the dictatorship's redoubts were guarded by 50 or 60 mangy dog henchmen, under the command of Cuban mercenaries who serve the communist dictatorship.

In the guerrilla operation launched against the Marxist garrison in Juanito, located in the Murra Mountains, Nueva Segovia Department, the communist enemy and foreign mercenaries sustained 15 fatalities. This operation was staged by 35 fraternal freedom fighters, who suffered no casualties.

In a synchronized manner and in faithful implementation of the operational plan, the freedom commandos, led personally by Commander Victor, also attacked the Marxist redoubt at El Paraisito. Despite the fact that the enemy was waiting for us, our forces caused serious damage to the communist post and inflicted approximately 12 casualties, including some dead.

The FDN regrets the loss of brother Ivan, who was killed in combat in that operation.

We also wish to report to the people that a surveillance system was established by our forces in La Florecida, in the mountains of Nueva Segovia, to prevent the passage of reinforcements for the regime's military post that was besieged by our freedom commandos.

At about 1030 on Friday, 14 May, our freedom commandos used machinegun fire to intercept an armored vehicle carrying troops. The armored vehicle, containing 25 or 30 occupants, was blown to pieces with an RPG-7, thus successfully completing the interception operation.

Several Cuban mercenaries, who were identified by some of our fighters, were among the enemy's casualties. Only five of the dictatorship's henchmen managed to escape this attack in La Florecida, leaving their weapons behind after a brief shootout. In this action, a genocidal bullet from the dictatorship killed another fraternal FDN fighter.

At about 1100, 2 C-33 jet planes, along with four Soviet helicopter gunships, appeared on the scene and proceeded to strafe our positions.

The FDN wishes to reveal to the free and democratic world the FSLN genocidal dictatorship's use of napalm, which is dropped indiscriminately.

Due to this heavy air attack, after they completed their mission, our commandos were unable to take one of our fallen brothers with them.

The FDN operations headquarters also notes that two other fraternal fighters were wounded slightly, but their condition is reported as satisfactory.

Summarizing the operation staged against the mangy dog enemy in the three places where clashes took place, the enemy's casualties totalled 52, including several dead Cuban mercenaries.

We will defeat communism with God and patriotism.

CSO: 3010/1592

## ENVOY IN WASHINGTON STRESSES NEED FOR TALKS

PA192231 Managua BARRICADA in Spanish 14 May 82 p 12

[Text] Managua, May [no date published] (ANN)--Francisco Fiallos, Nicaraguan ambassador to the United States, has said that U.S. officials with whom he met on Friday told him that they will carefully study the revolutionary government's proposal that formal bilateral negotiations be undertaken to ease tension in Central America.

Interviewed by telephone at the Nicaraguan Embassy in Washington by "The Voice of the Defense of the Fatherland," Fiallos indicated that during his meeting with Stephen Bowds, second in charge of inter-American affairs at the State Department, and with other officials, he said that Managua is willing to hold a dialogue as soon as possible; thus, each country's representatives must be appointed and the date for the initiation of the talks must be set.

He added that the Sandinist Government wants the negotiations to be held in Mexico, since the Nicaraguan revolutionary leaders have supported Mexican President Jose Lopez Portillo's peace proposals "in order to ease tensions in Central America and to improve relations with the United States."

Francisco Fiallos stressed that the subject of El Salvador will also be discussed in the negotiations with Washington, despite the fact that the United States "has never presented proof" that Managua has materially supported the Salvadoran rebels. "We are only waiting for a small sign, the establishment of a date and the appointment of their negotiators," in order to discuss topics including that of El Salvador, the diplomat stressed.

Referring to the violation of Nicaraguan airspace by spy planes, Fiallos said that the subject was brought up during his meeting with the State Department officials and that he protested this "flagrant violation of international law," which in no way contributes to an easing of tension in the region or to the promotion of bilateral relations.

Ambassador Fiallos said that he also denounced the existence of Somozist counterrevolutionary camps in Florida and a number of events that lead Managua to believe "that there is a plan to destabilize Nicaragua."

Fiallos said that this is why "high-level formal and serious talks must be held: To reach agreement on all of those points."



MACHEL FAREWELL MESSAGE TO ORTEGA

PA221206 Managua Domestic Service in Spanish 1800 GMT 20 May 82

[Message left for Daniel Ortega Saavedra, commander of the revolution and coordinator of the Nicaraguan Government junta, by Samora Moises Machel, field marshal and president of Mozambique, at the conclusion of Machel's visit to Nicaragua--read by (Lucy Valenti) from the House of Government's Information and Press Office--live or recorded]

[Text] In leaving Nicaragua, the fatherland of Sandino and America's free territory, we also leave a part of our hearts, which the Nicaraguan people have won from us. We take with us unforgettable memories of your beautiful country and of your humble, generous, combative and revolutionary people. We take with us our admiration for the quality with which the FSLN National Directorate leads the Nicaraguan revolution.

Comrade [Camarada] Daniel Ortega Saavedra, we would like you to transmit to the Nicaraguan people, to the FSLN and to the Nicaraguan Government our deep gratitude over the fraternal, warm and revolutionary welcome accorded to us everywhere during our stay in Nicaragua.

I leave with you, Comrade Commander Ortega, and the FSLN National Directorate, with our wishes for good health and for new successes in the execution of your tasks, in the struggle against imperialist aggression and for the construction of socialism in Nicaragua. The struggle continues.

With my highest regards,

[Signed] Marshall Samora Moises Machel, president of the Mozambique Liberation Front Party and president of the People's Republic of Mozambique.

CSO: 3010/1582

## BRIEFS

PREFERENTIAL TREATMENT FROM EEC SOUGHT--On Saturday, during a seminar on efficiency and authority, Leonardo Chamorro, deputy foreign trade minister, said that Foreign Trade Minister Alejandro Martinez Cuenca--who forms part of the retinue accompanying junta government member Sergio Ramirez Mercado--will meet with important European dignitaries. As a result of Martinez' trip, Nicaragua has secured \$64 million in credits and donations. Chamorro said that one of Martinez' objectives is to secure preferential treatment for Nicaraguan exports going to that European organization. Martinez is also trying to obtain pre-export credits [creditos de pre-exportaciones] that contribute to solving our big export problem, Chamorro said. [Text] [PA192024 Managua Domestic Service in Spanish 0000 GMT 18 May 82]

1981 DEFICIT IN TRADE--Managua, 19 May (ACAN-EFE)--Nicaragua's trade with the other Central American countries in 1981 produced a deficit of \$132 million, the Foreign Trade Ministry [Ministerio de Comercio Exterior--MICE] reported today. Despite this, the Nicaraguan authorities say that there was a considerable reduction in the deficit in comparison to 1980, when it reached \$225 million. As in previous years, the largest deficit was in trade with Guatemala, which rose to almost \$60 million. Orlando Solorzano, MICE director for economic integration, said that Nicaragua is struggling to reduce the deficit to a reasonable figure, between \$30 million and \$35 million per year. Nicaragua's overall trade deficit for 1981, according to data disclosed today, reached \$354,778,000. [Text] [PA200445 Panama City ACAN in Spanish 0333 GMT 20 May 82]

EXTRADITION REQUESTED FOR DEFENDANTS--Felix Trejos Trejos, first judge of the Managua Criminal District, has told this station that following the ruling against the 16 defendants in the case involving the destruction of important economic resources in Nicaragua, the case will be turned over to the Foreign Ministry so that it may request the defendants' extradition from the countries where they are currently residing. Included among those sentenced by Judge Trejos are Edmundo and Fernando Chamorro Rappaccioli, Vicente Rappaccioli Chamorro, Diego Manuel Robles, Juan Zavala, Juan Bosco Arana, Mario Bonilla, Nevardo Arguello, Jose Francisco Cardenal, Max Vargas, (Adriana Guillen), Jose Esteban Gonzalez, Mario Molina, Orlando Bolanos, Ernesto Rivas and Jose Ernesto Centeno Pastora. Judge Trejos sentenced all of them to 18 years in jail and the confiscation of their property. [Text] [PA191543 Managua Domestic Service in Spanish 1800 GMT 18 May 82]

AGRARIAN INSTITUTE RECOVERS 100,000 MANZANAS--Where there was slavery, the peasants now own the land. Some 100,000 manzanas have been recovered by the agrarian reform laws. The land belonged to 37 landowners, most of them from the Somoza family, who exploited the Nicaraguan peasants and kept them in salvery. This information was supplied today during a press conference held by Jaime Wheelock Roman, minister of farming and livestock development, who stressed that more than 8,000 of the 100,000 manzanas will be turned over to 14 Sandinist agricultural cooperatives in the regions of Chontales and Boaco this Sunday. Commander Wheelock pointed out that another 30,000 manzanas have been earmarked for cooperatives from the same region, which grow basic grains, vegetables and other products. The agrarian tribunal is presently studying appeals presented by some landowners who have been affected by this measure and will soon issue a ruling. Commander Jaime Wheelock Roman will deliver the agrarian reform land titles during a ceremony in the municipality of Camoapa. [Text] [PA192337 Managua Domestic Service in Spanish 0000 GMT 19 May 82]

NEW AIRSTRIP--The Rosita mine has now a new airstrip to handle commercial planes. This 1,600-m airstrip was built by the German Pomares Ordonez Vanguard Brigade of the Construction Ministry in record time: 30 days. Construction had been scheduled to last 6 months. [PA141650 Managua Domestic Service in Spanish 1800 GMT 13 May 82]

GDR FILM ON NICARAGUA--The primary social and political advances made by the Nicaraguan revolutionary process in the past 34 months were presented in a documentary film aired by the GDR Television System in Berlin. The film presented to the East German television audience reports on the Nicaraguan people's daily struggle to build a new society. This film was made with the help of the Sandinist Television System. The film depicts the current political problems faced by the Sandinist process in view of the many acts of aggression by counterrevolutionaries and the attacks and external pressures from the United States. [PA162325 Managua Domestic Service in Spanish 1200 GMT 14 May 82]

SUGAR MILL PRODUCTION--The 1981-82 sugarcane harvest at the Benjamin Zeledon sugarmill has ended; 626,512 quintals of sugar were produced. According to (Francisco Condega Garcia), secretary general of the Sugar Mill's Union, the workers achieved 96 percent of their goal. [PA162325 Managua Domestic Service in Spanish 1200 GMT 14 May 82]

FORCES CLAIM HELICOPTER SHOT DOWN--The latest reports from our war correspondents indicate that our freedom fighters shot down a helicopter during a combat action on 14 May in El Paraisito, Nueva Segovia Department. The reports say that the helicopter crashed in Las Pampas. The dictatorship has identified the three officers killed as 2d Lt Andres Valle, newsman and unconditional lackey of the dictatorship; Lt (Ramon Prudencio Serrano); and Lt (Anastasio Olivares Pineda). On the mangy dogs' maps and in their false war reports, El Paraisito is called Playa Hermosa. Radio 15 September also has proof that Cuban mercenaries were killed in the clash. Our warriors, who used to be with the Sandinist People's Army, EPS, recognized them. We are sure that at this moment, the dwarf Tomas Borge is trying to

explain what happened to the Cuban tyrant, Fidel Castro. We also have reports that some 400 Cuban mercenaries are in Montelimar. Let them come; Radio 15 September, the Nicaraguan democratic force, FDN and the freedom commandos will use machineguns to welcome the Cuban mercenaries. [Text] [PA200437 (Clandestine) Radio 15 September in Spanish to Nicaragua 0230 GMT 19 May 82]

CSO: 3010/1582

END